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April 7, 2011

HAND-DELIVERED

Kevin Wolfe, Director
Richard J. Hughes Justice Complex
25 Market Street, 6th Floor
Trenton, New Jersey 08625

Re: **In the Matter of Residential Mortgage Foreclosure Pleadings and Document Irregularities**
Docket No. F-059553-10

Dear Mr. Wolfe:

Along with Paul, Weiss, Rifkind, Wharton, & Garrison, LLP, this firm represents Citibank, N.A. and Citi Residential Lending, Inc. ("Citi") in *In the Matter of Residential Mortgage Foreclosure Pleading and Document Irregularities*. In support of Citi's Prima Facie Showing pursuant to the Recommended Stipulation dated March 18, 2011 ("Stipulation"), approved by the Court by Order dated March 29, 2011, we enclose two copies of the Certification of Steven M. Smith dated April 6, 2011, with annexed Exhibits A – K.

Could you kindly have the extra copy stamped "filed" and returned to me in the enclosed self-addressed stamped envelope.

Thank you for your attention to this matter.

Respectfully,

Gerald Krovatin

GK:cmd

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April 7, 2011

HAND-DELIVERED

Hon. Richard J. Williams, (ret.)
Atlantic County Courthouse
1201 Bacharach Blvd.
Atlantic City, NJ 08401

Re: **In the Matter of Residential Mortgage Foreclosure Pleadings and Document Irregularities Docket No. F-059553-10**

Dear Judge Williams:

Along with Paul, Weiss, Rifkind, Wharton, & Garrison, LLP, this firm represents Citibank, N.A. and Citi Residential Lending, Inc. ("Citi") in *In the Matter of Residential Mortgage Foreclosure Pleading and Document Irregularities*. In support of Citi's Prima Facie Showing pursuant to the Recommended Stipulation dated March 18, 2011 ("Stipulation"), approved by the Court by Order dated March 29, 2011, we enclose the Certification of Steven M. Smith dated April 6, 2011, with annexed Exhibits A – K.

Please note that we have not have not included in our submission today information concerning Citi's procedures "that will enable foreclosure counsel to comply with their duties concerning the completion and execution of foreclosure affidavits/certification, under the Court Rules as they are finally adopted by the New Jersey Supreme Court" (Stipulation ¶ 4(g)(ii)), as those Court Rules are not yet final. We expect to supplement our submission when the rules have been finalized.

Please do not hesitate to contact us if you would like to discuss this submission further.

Respectfully,

Gerald Krovatin

GK:Cmd
Enclosure
cc: Edward J. Dauber, Esq.
Kevin Wolfe, Director

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Attorneys for Citibank, N.A. and Citi Residential Lending, Inc.

		SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION GENERAL EQUITY PART MERCER COUNTY
IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	:	DOCKET NO. F-059553-10 Civil Action
	:	**CERTIFICATION OF STEVEN M. SMITH IN SUPPORT OF THE PRIMA FACIE SHOWING OF CITIBANK, N.A. AND CITI RESIDENTIAL LENDING, INC.**

STEVEN M. SMITH, being of full age, hereby certifies as follows:

1. I am Managing Director and head of Default Servicing at CitiMortgage, Inc. I make this certification (the "Certification") in support of the Prima Facie Showing of Citibank, N.A. and Citi Residential Lending, Inc. pursuant to the Recommended Stipulation dated March 18, 2011 ("Stipulation"), approved by Order of the Superior Court of New Jersey, Chancery Division (the "Court"), dated March 29, 2011.

2. The information in this Certification pertains to all foreclosures in New Jersey in which an affiliate of Citigroup Inc., including Citibank, N.A., Citi Residential Lending, Inc., CitiFinancial, Inc. ("CitiFinancial") or CitiMortgage, Inc. ("CitiMortgage), is

the primary servicer, and thus is responsible for submission of foreclosure documents to the New Jersey courts (all such affiliates collectively, "Citi").

3. I incorporate by reference and annex hereto as Exhibit A my January 5, 2011 affidavit (my "January 5 Affidavit") in support of the response of Citibank, N.A. and Citi Residential Lending, Inc. to the Court's December 20, 2010 Order to Show Cause. In that affidavit, I summarized Citi's self-initiated efforts, beginning in the fall of 2009—long before the recent public focus on these issues—to review and strengthen its foreclosure practices and to add additional resources to ensure that foreclosures were being processed correctly. (Exhibit A, ¶¶ 9-17) As set forth in my January 5 Affidavit, Citi more than a year ago implemented strengthened policies and procedures for preparing foreclosure documentation and ensuring its quality; enhanced training procedures for employees preparing and executing affidavits; centralized Citi's foreclosure operations into one unit with added resources and staff; enhanced Citi's ongoing monitoring of its foreclosure practices by regular quality control checks; and enhanced oversight of foreclosure law firms working on Citi's behalf. (*Id.* ¶¶ 9-17)

4. In this Certification, I provide information, from my personal knowledge, concerning Citi's processes and procedures in place to "ensure that the information set forth in affidavits/certification[s] submitted in foreclosure proceedings is personally reviewed by an affiant authorized to act on behalf of the plaintiff in the foreclosure action and that each affidavit or certification submitted is properly executed and is based upon knowledge gained through a personal review of records made in the regular course of business and it was the regular practice of that business to make it." (Stipulation ¶ 4)

I. Citi Information Systems Used in Verification of Information in Foreclosure Affidavits

5. Citi's Default Servicing group includes three units that help to ensure the accuracy of foreclosure affidavits.

6. The Preforeclosure unit reviews loans prior to their referral to foreclosure and forwards loan information to foreclosure counsel at the time of referral.

7. The Document Execution unit verifies and executes affidavits and certifications to be submitted in foreclosures, including certifications of proofs of amount due that are submitted in uncontested foreclosures in New Jersey.

8. The Quality Assurance unit reviews the performance of the Document Execution Team.

9. Citi employees in these three units may use CitiLink, Maestro, DRI and/or FileNet, four information software systems (CitiLink and Maestro are proprietary to Citi), to obtain information about individual mortgage loans in connection with foreclosures.

10. CitiLink and Maestro are mortgage information software systems that act as the primary servicing databases for CitiMortgage and CitiFinancial. They contain information relating to the origination, payment, and interest of mortgage loans.

11. DRI is a case management, communications, and recordkeeping software system for default-related matters. DRI gathers the information contained in CitiLink or Maestro through a live feed and presents it in a user-friendly and functional manner.

12. FileNet is a software system that contains images of mortgage loan documents, such as the note, and makes those images available for viewing and printing.

13. The information in CitiLink, Maestro, DRI and FileNet concerning mortgage loans are records that are made in the regular course of Citi's business and it is the regular practice of Citi to make such records.

14. Where the relevant mortgage loan was originated by Citi, mortgage loan data enters CitiLink or Maestro via a feed from CitiMortgage's or CitiFinancial's proprietary loan processing and underwriting software systems, and images of the mortgage loan documents are scanned into FileNet. Where the relevant mortgage loan was not originated by Citi, mortgage loan data is fed into CitiLink and images of mortgage loan documents are entered into FileNet by electronic interface from the entity possessing the loan data and documents; or if electronic interface is not available, then mortgage loan data is input into CitiLink and images of mortgage loan documents are scanned into FileNet manually.

15. The majority of mortgage loan data remains constant throughout the life of the loan. When information does change—for example, when a borrower changes his or her name or address—the updated information is input into CitiLink or Maestro at the time Citi is notified of the information.

16. Payment information on mortgage loans is updated primarily through automated processes. The majority of payments are made through the mail. Borrowers typically send payment checks with tracking tags which Citi provides. The tag and the check are electronically read and payment is applied to the correct account based on the tag information. This payment information is automatically loaded into CitiLink or Maestro. Other methods of payment also automatically feed into CitiLink or Maestro: for example, web and phone payments result in an electronic transfer of the payment information into CitiLink or Maestro. When the automated systems cannot find the account associated with a payment,

payment information must be manually entered into the system. In addition, if a person pays at a CitiFinancial branch—which many do—that payment is entered manually.

17. Each of the data and document input processes described above is subject to a number of controls to ensure accuracy, including data quality checking processes, data reconciliations, internal control self-assessment procedures, and internal auditing.

18. Citi communicates with its foreclosure counsel through the Vendorscape Service Gateway ("Vendorscape"). Vendorscape is a web-based function that permits communication of messages, information and documents between Citi and its foreclosure counsel across the country. Through this secure system, Citi employees communicate with foreclosure attorneys regarding, among other things, the acceptance, rejection and revision of draft foreclosure affidavits or certifications that are to be executed by Citi.

19. Neither the Citi employees in the Preforeclosure, Document Execution and Quality Assurance units, nor Citi's foreclosure counsel, use Lender Processing Services databases to obtain or verify information about loans in connection with Citi foreclosures. All of the data used by Citi and its foreclosure counsel in the preparation and verification of foreclosure affidavits in Citi foreclosures comes from the mortgage loan documents or from information systems operated by Citi.

II. The Preforeclosure Group Reviews Loans Prior to Referral To Foreclosure to Ensure That Foreclosure is Appropriate

20. As set forth in my January 5 Affidavit, before any mortgage loan is referred to foreclosure, the Preforeclosure unit undertakes a number of checks to confirm that the borrower is in default. (Exhibit A, ¶ 6) The Preforeclosure unit also confirms that the required efforts have been made to reach borrowers to notify them of default, and to

determine if loss mitigation solutions may be available to avoid foreclosure. (Exhibit A, ¶¶ 3-5)

21. If a loan passes these reviews, Citi's Preforeclosure unit gathers supporting documentation and data relating to the mortgage loan and transmits it to the foreclosure law firm. The supporting documentation and data include, among other things, the note and the mortgage, information concerning any assignments of the mortgage, information concerning the borrower's indebtedness, and information sufficient to run bankruptcy and military status checks on the borrower.

III. Citi Forecloses as the Mortgagee or, in a Small Percentage of Cases, Based on Authority Granted by the Mortgagee by Contract

22. As reflected in Citi's Servicer Portfolio, in the great majority of foreclosure cases in New Jersey for which Citi is the primary servicer, Citi is named as the foreclosure plaintiff. In those cases, Citi is the mortgagee at the time the foreclosure action is instituted. (Citi may be the original mortgagee, or the mortgage may have been assigned to Citi prior to institution of the foreclosure action. In many cases where Citi is not the beneficial owner of the mortgage loan but is the servicer of the loan, such as in the case of Fannie Mae or Freddie Mac loans serviced by Citi, the mortgage is assigned to Citi immediately prior to institution of the foreclosure action in order to allow Citi to institute the foreclosure in its name.)

23. In a small minority of the foreclosure cases in Citi's Servicer Portfolio, Citi is not the mortgagee and the plaintiff in the foreclosure action is the mortgagee. In such cases, Citi has been granted authority, in the servicing agreement pursuant to which Citi performs its servicing functions, to act in the foreclosure action on behalf of the mortgagee.

24. True and correct copies of two sample pooling and servicing agreements in which CitiMortgage is the servicer are annexed hereto as Exhibit B. According to section 3.1 of the pooling and servicing agreements, "The Trustee will furnish CitiMortgage with any powers of attorney and other documents reasonably necessary or appropriate, and will take any other actions that CitiMortgage reasonably requests, to enable CitiMortgage to carry out its servicing duties." According to section 3.13 of the pooling and servicing agreements, "For the servicing or foreclosure of any mortgage loan, including collection under a primary mortgage insurance policy, the Trustee will, upon CitiMortgage's request and its delivery to the Trustee of a receipt signed by a Servicing Officer, direct the Mortgage Note Custodian to relase the related mortgage note to CitMortgage. The Trustee will execute such documents furnished it as are necessary to the prosectuion of any such proceedings." According to section 4.1 of the pooling and servicing agreements, "CitiMortgage may, however, undertake any such action it deems desirable to enforce or secure the rights and duties of the parties of the interests of the certificate holders."

IV. Citi's Foreclosure Counsel Drafts Each Affidavit or Certification and Transmits the Draft, With Any Exhibits, to Citi's Document Execution Unit

25. Affidavits and certifications that must be executed by Citi for submission to a court in support of foreclosure are drafted by Citi's outside foreclosure counsel to ensure compliance with state and local foreclosure laws and requirements.

26. In New Jersey, where certifications are permitted in lieu of affidavits, affidavits of indebtedness in uncontested foreclosures are submitted as certifications of proof of amount due. New Jersey certifications are not required to be notarized, and thus the certifications of proof of amount due submitted in New Jersey foreclosures are not notarized.

27. Information specific to the individual mortgage loan at issue is input by foreclosure counsel into the relevant draft affidavit or certification based on the data and documents provided to foreclosure counsel by Citi at the time of referral.

28. With respect to certifications of proof of amount due, in particular, at the time of referral, Citi's foreclosure counsel projects several likely judgment date ranges and based on those date ranges, Citi's Preforeclosure unit informs the foreclosure counsel of the principal balance and any other information required to complete the certification of proof of amount due as of one or more expected judgment date ranges. If the projected judgment date ranges are not accurate, foreclosure counsel requests updated information from Citi's Preforeclosure unit to complete the draft certification of proof of amount due. The Preforeclosure unit obtains the information provided to foreclosure counsel for this purpose from DRI.

29. Once ready for execution, draft affidavits or certifications that are to be submitted in uncontested foreclosures are transmitted to Citi's Document Execution unit for verification and execution. Draft affidavits or certifications are transmitted to Citi's Document Execution unit in one of two ways.

30. First, drafts may be e-mailed by foreclosure counsel to a designated e-mail address monitored by CoreLogic, a vendor working on-site at Citi's offices. CoreLogic prints each draft affidavit or certification, together with any exhibits, and physically delivers the printed draft to a Document Control Officer ("DCO") in Citi's Document Execution unit. A true and correct copy of Citi's policy setting forth CoreLogic's responsibilities in

connection with the review of affidavits or certifications by the Document Execution unit is annexed hereto as Exhibit C.[1]

31. Second, draft affidavits or certifications may be uploaded by foreclosure counsel to VendorScape. Each day, a manager or designated employee in Citi's Document execution unit reviews the draft affidavits and certifications that have been uploaded to VendorScape, and, by email, assigns the review of each draft to a DCO in Citi's Document Execution unit. The DCO then logs into VendorScape and can review each draft he or she has been assigned, with its exhibits, in VendorScape. A true and correct copy of Citi's policy setting forth VendorScape's use in connection with the review of such affidavits or certifications is annexed hereto as Exhibit D.

V. The Document Control Officers in Citi's Document Execution Unit Receive Annual Training About the Importance of Verifying All Information in Affidavits Against Company Records Prior to Execution

32. Citi DCOs receive annual training emphasizing that executing an affidavit is the legal equivalent of swearing to personal knowledge of the information in the affidavit and the importance of verifying each piece of information contained in an affidavit against relevant business records. The training materials explain that affidavits are written testimony and should be treated as seriously as testifying in open court. In addition, the training materials instruct DCOs to seek assistance and guidance when they cannot verify any fact in an affidavit or when they do not understand something in an affidavit. A true and correct copy of Citi's affidavit training materials is annexed hereto as Exhibit E.

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[1] This policy, like a number of the written policies annexed to this Certification as exhibits, is dated March 28, 2011. Citi is in the process of updating its written policies, and the policies attached are the most updated versions of those policies. I note, however, that many of the affidavit review and execution practices described in this Certification and in the annexed written policies have been in place for more than a year.

33. The training materials also explain the notarization process and emphasize that any document that is to be notarized must be signed in the presence of the notary. (*See* Exhibit E)

34. Finally, the training materials instruct Citi DCOs to contact the legal department should the affiant-employee not receive a satisfactory response when seeking assistance or guidance on affidavit-related questions. (*See* Exhibit E)

35. All DCOs who execute foreclosure affidavits for Citi have completed the affidavit training, and must annually re-certify that they have again completed the affidavit training and attest to their understanding and compliance with the processes described. Citi ensures that each DCO has signed such an attestation and retains the attestations themselves. A true and correct copy of the attestation form is annexed hereto as Exhibit F.

VI. Each Draft Affidavit or Certification is Verified by a Document Control Officer in Citi's Document Execution Unit Against Company Records Prior to Execution by the Document Control Officer

36. Each draft affidavit or certification is verified against Citi's business records by a DCO prior to execution.

37. Citi policies state that in reviewing any foreclosure-related affidavit prior to execution, the DCO must read the document from start to finish to obtain a thorough understanding of the request and what must be verified, and then verify that the information contained in the affidavit is accurate and complete and that the supporting documentation mentioned in the affidavit is attached and is accurate and complete. The policies indicate the sources, including CitiLink, Maestro, DRI, and/or FileNet, where the DCO can find verify each item of information. True and correct copies of the affidavit review

and execution policies of CitiMortgage and CitiFinancial are annexed hereto as Exhibits G – H.

38. Where documents are missing or information is incorrect, the DCO obtains the missing documentation or corrects the incorrect information prior to executing the affidavit. (*See* Exhibits G – H)

39. If the DCO cannot obtain the missing documentation or correct the affidavit, the DCO rejects the affidavit. Any revised affidavit that is later submitted for execution by Citi's Document Execution unit must go through the entire review and verification process, as if it were a new affidavit, prior to execution. (*See* Exhibits G – H)

40. Affidavits or certifications, once verified and executed, are returned to foreclosure counsel for submission to the court. (*See* Exhibits G – H)

41. I annex hereto as Exhibit I five sample certifications of proof of amount due that have been submitted in uncontested New Jersey foreclosures, along with source documents and screenshots of database screens that verify the information in those certifications which were printed out by an employee in the Default Servicing group. These materials have been redacted to remove any information that could potentially identify the borrowers on those mortgage loans.

VII. Citi Has Established Quality Assurance Procedures to Ensure That the Established Procedures for Review of Relevant Source Documents and Completion of Foreclosure Affidavits and Certifications Based on a Personal Review of Business Records is Followed

42. The Quality Assurance unit reviews the performance of the Document Execution unit.

43. Citi's current quality assurance procedure tests a sufficient number of files to reflect a 95% confidence level in the evaluation of each member of the Document Execution team.

44. Each day, samples of affidavits and supporting documentation are collected in physical form from each DCO after those affidavits are fully executed and documented.

45. Each week, at least four sample affidavits from each DCO each day are reviewed by an auditor for quality assurance purposes.

46. In undertaking the quality assurance review, the auditor follows the same procedures that the DCO should have employed to review and verify the affidavit, including comparing the information in the affidavit to the information in the mortgage documents and in Citi's databases, and determining whether the affidavit was properly signed and (if applicable) notarized. A true and correct copy of the quality control monitoring policies of CitiFinancial and CitiMortgage are annexed hereto as Exhibits J – K.

47. The auditor must also determine whether the affidavit was properly signed and (if applicable) notarized. This requires checking that each portion of the affidavit that must be is signed or stamped and that all signatures, stamps, names, dates and titles are included, neat and legible. (*See* Exhibits J – K)

48. Finally, the auditor reviews the entry on the Vendorscape platform associated with the file under audit for any errors in the records that DCOs are required to create as they perform their review of affidavit files. In addition, if foreclosure counsel created an inaccurate draft of the affidavit, the auditor ensures that the correct format was uploaded into Vendorscape. (*See* Exhibits J – K)

49. Each file that is audited is recorded in an audit log. (*See* Exhibit J – K)

50. Auditors are able to determine from their examination of the relevant source information whether any errors resulted from a mistake by foreclosure counsel or a Citi employee. Any instance in which the affidavit does not pass the quality control check will be reviewed with the relevant DCO. (*See* Exhibits J – K)

51. If necessary, steps to resolve any issue with the executed affidavit will be discussed with foreclosure counsel and/or Citi legal personnel, and any steps required to resolve the issue will be reflected in the audit log. (*See* Exhibits J – K)

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the above statements made by me are willfully false, I am subject to punishment.

Steven M. Smith

Dated: April 6, 2011

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
GENERAL EQUITY PARTY
MERCER COUNTY

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES

DOCKET NO. F-059553-10

Civil Action

AFFIDAVIT OF STEVEN M. SMITH IN SUPPORT OF RESPONSE OF CITIBANK, N.A. AND CITI RESIDENTIAL LENDING, INC. TO ORDER TO SHOW CAUSE

STATE OF TEXAS)
) ss.:
COUNTY OF DALLAS)

STEVEN M. SMITH, being of full age, and duly sworn, according to law upon his oath, deposes and says:

1. I am Managing Director and Head of Default Servicing of CitiMortgage, Inc. I am fully familiar with the matters set forth herein. I make this Affidavit upon personal knowledge in support of the Response of Citibank, N.A. and Citi Residential Lending, Inc. ("Citi") to the Order to Show Cause filed December 20, 2010. The information in this affidavit pertains to all foreclosures in New Jersey in which a Citi entity, including Citibank, N.A., Citi

Residential Lending, Inc., CitiFinancial, Inc. or CitiMortgage, Inc., is the primary servicer, and thus is responsible for submission of foreclosure documents to the court.

2. Citi has several safeguards in place to enable as many homeowners as possible to keep their homes and to ensure that no loan is referred for foreclosure until Citi has confirmed that the borrower is in default and given the borrower ample notice and opportunity to engage in discussions with Citi.

3. Through its participation in the federal Home Affordable Modification Program and its creation of additional, proprietary Citi loan modification programs, Citi actively identifies eligible borrowers and conducts extensive outreach to contact and guide them through the process of applying for trial and obtaining permanent loan modifications.

4. Specifically, in the 90 days before any foreclosure referral, Citi will have made a number of efforts to contact the borrower in order to notify the borrower of loss mitigation opportunities and give the borrower ample prior notice of any foreclosure.

5. By the time any borrower is referred for foreclosure, Citi will have sent the borrower at least two solicitation letters for loan modification programs and will have made at least four (and generally significantly more than four) additional attempts to contact the borrower by methods which may include phone calls, e-mails, text messages and/or in-home visitation regarding the possibility of loan modification.

6. After these efforts have been exhausted, and prior to referring any loan to foreclosure, Citi subjects all loans to a review in order to determine whether the loan is eligible for foreclosure, which includes a check to confirm that the borrower is in default and determine if any loss mitigation efforts are under way.

7. In addition, Citi subjects a targeted set of loans to a separate foreclosure audit review, to determine whether any other issues exist.

8. Thus, Citi ensures that only those loans for which there is no other reasonable option ever enter the foreclosure process.

9. More than a year ago, in the fall of 2009, Citi internally undertook a voluntary review of its existing foreclosure practices and promptly initiated a series of steps to strengthen its practices and add additional resources to ensure foreclosures were being processed correctly.

10. Under Citi's longstanding procedures, where Citi is the servicer of a mortgage loan, foreclosure documentation is prepared in the first instance by foreclosure counsel to ensure compliance with federal and state foreclosure laws.

11. Citi foreclosure counsel review the records and documents relevant to the mortgage loan, so that correct information will be included in the documents prepared.

12. Where documents, such as affidavits, are to be executed by Citi personnel, foreclosure counsel provide the documents to the servicing unit at Citi tasked with executing such documents.

13. Under Citi's current, enhanced foreclosure documentation processes, each such foreclosure affidavit is reviewed by a Citi employee who verifies the facts in the affidavit and then signs the affidavit in front of a notary.

14. Citi developed and implemented enhanced training programs with respect to proper execution and notarization of foreclosure affidavits. These training programs emphasize, among other things, that the signor must have personal knowledge of the facts and must sign in the presence of a notary. All Citi employees who sign foreclosure affidavits must

annually certify that they have completed the training and attest to their understanding and compliance with the processes described.

15. Citi centralized its foreclosure operations into one unit, and added resources and staff to its foreclosure operations. These changes help ensure that all of Citi's staff members have sufficient resources and time to personally verify and properly execute all supporting documents in foreclosure actions.

16. Citi enhanced its ongoing monitoring of its foreclosure practices. Managers are required to regularly review foreclosure files to check compliance with the proper procedures. In addition, Citi increased its quality control checks to include a weekly review of a sample of affidavits, performed by trained employees who are dedicated to quality control and reporting.

17. Citi implemented policies for enhanced oversight of the law firms that handle Citi foreclosures. Before permitting any law firm to perform foreclosure work for Citi, Citi conducts extensive due diligence on the firm, which includes completion of a detailed questionnaire and searches for any complaints or lawsuits with the state bar, regulatory agencies and state and federal courts. Law firms are informed of Citi's standards and expectations with respect to affidavits and other filings submitted on Citi's behalf in foreclosure proceedings, the control processes such firms must have in place concerning foreclosure-related documentation, and the escalation of any issues to Citi. Among other things, each law firm is required, as a condition of its representation of Citi, to follow all local, state and federal laws regarding their legal work on Citi's behalf, and to be familiar with and comply with each specific state's laws and processes regarding foreclosure. Citi also does periodic on-site legal audits to review selected files, observes default-related processes at the law firm, and reviews new legal

requirements and challenges in the relevant state. In addition, if a foreclosure is contested or encounters unexpected issues, the law firm escalates the matter to Citi, and Citi may elect to direct the law firm to cease or take certain actions.

18. In New Jersey, as of January 3, 2011, there were 4,023 active foreclosures serviced by Citi. In addition, there are 747 foreclosures in New Jersey serviced by Citi that are on hold, for reasons that include potential loan modifications for the borrower. Many of these foreclosures may never restart—for example, if a loan modification occurs, the foreclosure will be dismissed—or if they do restart, they will likely require new affidavits because changes in circumstances or the passage of time has changed the relevant financial information. Citi will review the affidavits in all of these cases for accuracy in the event that, and before, any of these foreclosures do restart.

19. Of the 4,023 active foreclosure in New Jersey serviced by Citi, 613 involve affidavits that were prepared under our pre-strengthened processes. Based on our ongoing review of those 613 active foreclosures, Citi has determined thus far that foreclosure affidavits need to be corrected in 210 foreclosures.

20. Of the 210 cases, a significant percentage contained errors that were actually in the borrowers favor.

21. Nevertheless, Citi intends to dismiss all 210 of those foreclosure actions, and any other foreclosure actions in New Jersey we find, based on our completion of this review, to require corrections, as soon as possible.

22. After dismissal, Citi will re-file these foreclosures pursuant to our current, enhanced foreclosure documentation procedures, while also re-initiating attempts to resolve those matters with the borrowers through loss mitigation programs if at all possible.

Steven M. Smith

Sworn to and Subscribed
before me this 5 day of
January 2011

Citicorp Mortgage Securities, Inc.

Depositor

CitiMortgage, Inc.

Servicer and Master Servicer

U.S. Bank National Association

Trustee

Citibank, N.A.

Paying Agent, Certificate Registrar
and Authenticating Agent

Pooling and Servicing Agreement

CMALT (CitiMortgage Alternative Loan Trust), Series 2007-A8

REMIC Pass-Through Certificates

October 1, 2007

Contents

Defined Terms

POOLING AND SERVICING AGREEMENT
October 1, 2007

PARTIES
- **Citicorp Mortgage Securities, Inc.**, a Delaware corporation (*CMSI*)
- **CitiMortgage, Inc.**, a New York corporation (*CitiMortgage*)
- **U.S. Bank National Association,** a national banking association, in its individual capacity and as Trustee
- **Citibank, N.A.**, a national banking association, in its individual capacity and as Paying Agent, Certificate Registrar, and Authenticating Agent

BACKGROUND
In the regular course of their business, affiliates of CMSI originate and acquire mortgage loans. CMSI, CitiMortgage and the Trustee wish to set forth the terms and conditions under which the Trust will acquire the mortgage loans listed in exhibit B, certificates will be issued to holders evidencing ownership interests in the Trust Fund, and CitiMortgage will manage and service the mortgage loans.

AGREEMENT
This Pooling and Servicing Agreement (this *agreement*) consists of sections 1 through 11 (the *Standard Terms*) and sections 12 and following (the *Series Terms*). The Standard Terms follow the Series Terms. If there is a conflict or inconsistency between the Standard Terms and the Series Terms, the Series Terms will prevail.

SERIES TERMS

12 The series

12.1 Establishment
A common law trust is established under New York law as of October 1, 2007 (the *cut-off date*), to be called the "CMALT (CitiMortgage Alternative Loan Trust), Series 2007-A8" (the *Trust*). CMSI is the settlor of the Trust, and U.S. Bank National Association is the trustee (in such capacity, the *Trustee*).

The Trust will issue a series of certificates designated as "CMALT (CitiMortgage Alternative Loan Trust), Series 2007-A8 REMIC Pass-Through Certificates." The certificates will consist of and be further designated as

(i) four *senior classes* of certificates individually designated as
- for each integer *x* , from 1 through 2, inclusive, "Senior Class A- *x* Certificates" (the *class A-x certificates* or *class A-x*);
- "Senior Class A-IO Certificates" (the *class A-IO certificates* or *class A-IO*);
- "Senior Class A-PO Certificates" (the *class A-PO certificates* or *class A-PO*), and

(ii) six *subordinated classes* of certificates designated, for each integer *x* , from 1 through 6, inclusive, as "Subordinated Class B- *x* Certificates" (the *class B-x certificates* or *class B-x*) (together with the senior classes of certificates, the *certificates*); and

(iii) one residual interest designated as "Class LR Certificates" (the *class LR certificates*).

The class LR certificates constitute the *residual certificates* . (There are no "Class R Certificates" (the *class R certificates*) or "Class PR Certificates" (the *class PR certificates*).)

The Trustee hereby appoints Citibank, N.A. as *Authenticating Agent* .

CMSI, with the approval of the Trustee, hereby appoints the corporate trust department of Citibank, N.A. as *Paying Agent* and *Certificate Registrar* .

The Mortgage Note Custodian is Citibank, N.A.

The *Underwriter* for the senior classes (other than the ratio-stripped IO class) is

Credit Suisse Securities (USA) LLC (*Credit Suisse Securities*). The ratio-stripped IO class certificates and the class B certificates will initially be transferred to the Sponsor as partial consideration for the purchase of the mortgage loans by CMSI, and may be sold by the Sponsor or held in its portfolio.

The certificates will be first executed, authenticated and delivered on October 29, 2007 (the *closing date*). The closing date will also be the *startup day* .

The 25th day of each month (or if the 25th is not a business day, the next succeeding business day), beginning in November 2007, will be a *distribution day* . The *last scheduled distribution day* for each class is specified in the following table. The *latest possible maturity date* of each class for purposes of section 860G(a)(1) of the Internal Revenue Code and Treasury Regulations section 1.860G-1(a)(4)(iii) will be October 25, 2037.

The nationally recognized statistical *rating agencies* for the senior classes are Fitch and S&P; the rating agency for classes B-1 through B-5 is S&P.

12.2 General terms for classes

The classes will have the following initial principal balances, *certificate rates* , and for the subordinated classes, initial target-rate class percentages and initial subordination levels:

class	initial principal (or notional) balance	certificate rate (per annum)	initial target-rate class percentage (1)	initial subordination level (2)	last scheduled distribution day
A-1	$459,715,000.00	6%	N/A	N/A	October 25, 2037
A-2	24,688,000.00	6%	N/A	N/A	October 25, 2037
A-PO	1,177,933.00	0% (3)	N/A	N/A	October 25, 2037
A-IO	488,639,276.93 (notional)(4)	Variable (5)	N/A	N/A	October 25, 2037
B-1	15,166,000.00	6%	2.956700051832%	2.600142219555%	October 25, 2037
B-2	3,599,000.00	6%	0.701646016520%	1.900103806835%	October 25, 2037
B-3	1,542,000.00	6%	0.300621883155%	1.600170705303%	October 25, 2037
B-4	2,828,000.00	6%	0.551335074943%	1.050098843349%	October 25, 2037
B-5	2,571,000.00	6%	0.501231427750%	0.550015831650%	October 25, 2037
B-6	2,827,711.00	6%	0.551278732709%	N/A	October 25, 2037

(1) The initial target-rate class percentages are:

senior target-rate classes:94.437186813092%

subordinated classes: 5.562813186908%

(2) The initial subordination level for the senior classes is 5.550067912057%.

(3) Class A-PO is a ratio-stripped PO class and does not bear interest.

(4) After the first distribution day, class A-IO will have a notional balance on any distribution day equal to the aggregate scheduled principal balance of the premium loans on the last day of the preceding month.

(5) The certificate rate for class A-IO for each month will equal the weighted average pass-through rate of the premium loans on the last day of that month, minus the target-rate. The initial certificate rate for class A-IO is expected to be 0.5386468645% per annum.

12.3 Target rate
The per annum *target rate* is 6%.
Each class other than any ratio-stripped IO or ratio-stripped PO class is a *target-rate class* .

12.4 Ratio-stripped IO and PO classes
Class A-IO is a ratio-stripped IO class, and class A-PO is a ratio-stripped PO class.

12.5 Loss limits
There is no *initial special hazard loss limit* , *initial bankruptcy loss limit* , or *initial fraud loss amount* .

12.6 Denominations
The *denominations* of

- the senior class certificates and the class B-1 through B-3 certificates are initial principal (or, for any IO classes, notional) balances of $1,000 and any whole dollar amount above $1,000,
- the class B-4, B-5 and B-6 certificates are $100,000 initial principal balance and any larger integral multiple of $1,000, and
- the residual certificates are percentage interests summing to 100%.

If the initial principal or notional balance of a class is not a permitted denomination for a certificate of that class, one certificate of the class may be issued in a different denomination.

12.7 The mortgage loans
The mortgage loans in the Trust Fund are identified on the mortgage loan schedule. The mortgage loans will consist primarily of 20- to 30-year fixed-rate conventional one- to four-family mortgage loans.

12.8 Right to repurchase
CMSI cannot exercise its right to repurchase the mortgage loans pursuant to section 9.1(a) of the Standard Terms unless

- the aggregate scheduled principal balance of the mortgage loans is less than $51,411,464.49 at the time of repurchase, and
- if there is an insured class outstanding and the exercise of such repurchase right would result in a draw under any certificate insurance policy, the Insurer has previously consented.

12.9 Book-entry and definitive certificates
All senior class certificates (other than the ratio-stripped IO certificates) and the class B-1 through B-3 certificates will be issued as *book-entry certificates* . Book-entry certificates for a class or a group of classes will be represented by one or more certificates issued in the name of a depository. The ratio-stripped IO certificates, the class B-4 through B-6 certificates, and the residual certificates will be issued in fully registered certificated form (*definitive certificates*).

12.10 Voting interests
Each IO class will have a 1% *voting interest* . The remaining voting interest will be allocated to the other classes in proportion to their principal balances. The voting interest of any class will be allocated among the certificates of the class in proportion to the certificates' principal or notional balances, except that an Insurer will be entitled to the voting interest of an insured class for as long as the insured class is outstanding and the Insurer is not in default.

12.11 Cash deposit
No cash will be deposited into the certificate account on the closing date.

13 Principal balances

13.1 Class balances
Each class that is not an IO class will have a *principal balance* , and each IO class will have a *notional balance* . The principal or notional balance of multiple classes (*e.g.* , the senior

classes) is the aggregate of the principal or notional balances of those classes.

The initial principal or notional balance for each class is stated in "The series – General terms for classes" above. The principal balance of each class that is not an IO class will be adjusted on each distribution day, as described in "Adjustments to class balances" below.

The notional balance of a ratio-stripped IO class for any distribution day after the initial distribution day will equal the aggregate scheduled principal balance of the premium loans of the related pool on the last day of the preceding month.

The notional balance of each IO class that is not a ratio-stripped IO class will be adjusted on each distribution day as described in "The series – General terms for classes" above.

13.2 Certificate balances

The sum of the initial principal or notional balances stated on the certificates of each class will equal the initial principal or notional balance of the class.

Except as may be provided in "Retail classes" below, the principal or notional balance of each certificate will equal its proportionate share, based on the initial principal or notional balances stated on the certificates of the class, of the principal balance or notional balance of the class to which the certificate belongs.

14 Allocations

14.1 Interest allocations

Beginning on the cut-off date, each class (other than any PO class) will accrue interest for each month on its principal or notional balance at the certificate rate for the class stated in "The series – General terms for classes" above. In calculating accrued interest,

- a class's principal or notional balance on the last day of a month will be considered to be the class's principal or notional balance on every day of the month, and
- interest for a month will be calculated at 1/12 of the certificate rate, regardless of the number of days in the month.

Example: Suppose that on January 1, a class has a principal balance of $1,020,000 and a certificate rate of 6% per annum. On the January distribution day, the class's principal balance is reduced by $20,000. As a result, the principal balance of the class on January 31 is $1 million. Then the interest accrued for the class during January (which is paid on the February distribution day) is 1/12 of 6% of $1 million = $5,000; that the principal balance of the class was greater than $1 million before the January distribution day, and that January has 31 days, are irrelevant.

A class's *interest allocation* for a distribution day is the sum of

- the class's *current interest allocation* for the distribution day, consisting of the class's accrued interest for the preceding month *minus* the class's proportionate share, based on accrued interest, of (1) any non-supported prepayment interest shortfall, and (2) the interest portion of any non-subordinated losses, for the preceding month,
- *plus* any excess of the class's interest allocation for the preceding distribution day over the interest distributed to the class on that preceding distribution day (the *interest allocation carryforward* from that distribution day). (If the class is an insured class, for purposes of calculating allocations and distributions to the class, the interest allocation carryforward from a distribution day will be reduced by any payments to the class from the Insurer relating to the interest allocation carryforward, but will not be so reduced for purposes of effecting the

Insurer's subrogation rights relative to the interest portion of any insured payment.)

14.2 Principal allocations

The *principal allocation* for a distribution day is:

(a) for any ratio-stripped PO class, the sum for that distribution day of scheduled and unscheduled principal payments on its PO strip for that distribution day.

(b) for the senior target-rate classes collectively, the sum for that distribution day of ,

- the target-rate class percentage for the senior target-rate classes of scheduled principal payments on the target-rate strip, and
- all unscheduled principal payments on the target-rate strip allocated to the senior target-rate classes pursuant to " – Unscheduled principal" below.

The principal allocation for the senior target-rate classes will be allocated among the individual senior target-rate classes pursuant to "Allocations among the senior classes" below.

(c) for each subordinated class ,

- the class's target-rate class percentage of scheduled principal payments on the target-rate strip for that distribution day,
- *plus* the class's proportionate share, based on the principal balances of the subordinated classes, of unscheduled principal payments on the target-rate strip for that distribution day that are not allocated to the senior target-rate classes pursuant to the preceding paragraph (b),
- *plus* or *minus* any amounts that are reallocated to or from the class pursuant to "– Maintenance of subordination" below.

14.3 Unscheduled principal

For each distribution day, the following percentage of unscheduled principal payments on the target-rate strip received during the preceding month will be allocated to the senior target-rate classes:

- 100% if the target-rate class percentage for all the senior target-rate classes on the distribution day exceeds the initial target-rate class percentage for all the senior target-rate classes.
- otherwise, and subject to the following proviso, the sum of (1) the target-rate class percentage for the senior target-rate classes, plus (2) the following percentage of the target-rate class percentage for the subordinated classes:

distribution days	percentage
1 through 60	100%
61 through 72	70%
73 through 84	60%
85 through 96	40%
97 through 108	20%
109 and after	0%

provided , that

- if the distribution day is one on which the percentage shown in the preceding table is to be reduced – that is, the 61st, 73rd, 85th 97th or 109th distribution day – and either the cumulative loss test or the delinquency test described below are not satisfied, then the percentage will not be reduced on that distribution day or on any subsequent distribution day until both the cumulative loss and delinquency tests are passed, and
- if the cumulative loss test is not satisfied for a distribution day, the percentage of unscheduled principal payments allocated to the senior target-rate classes will be the greater of the percentage of unscheduled principal payments allocated to the senior target-rate classes for that distribution day calculated in accordance with the preceding rules of this section, or the percentage of unscheduled principal payments allocated

to the senior target-rate classes for the preceding distribution day.

The *cumulative loss test* is satisfied for a distribution day if cumulative realized losses through that distribution day do not exceed the following percentages of the initial principal balance of the subordinated classes:

distribution days	percentage of initial principal balance of subordinated classes
61 through 72	30%
73 through 84	35%
85 through 96	40%
97 through 108	45%
109 and after	50%

The *delinquency test* is satisfied for a distribution day if CitiMortgage certifies to the Trustee that the average of the aggregate scheduled principal balance of mortgage loans delinquent 60 days or more (including, for this purpose, mortgage loans in foreclosure and REO property) for that distribution day and the preceding five distribution days is either (1) less than 50% of the average of the principal balance of the subordinated classes for those distribution days, or (2) less than 2% of the average scheduled principal balance of all of the mortgage loans for those distribution days.

If there are composite and component subordinated classes, only the composite subordinated classes are considered in the cumulative loss and delinquency tests.

For purposes of the cumulative loss and delinquency tests,

- any principal or interest amounts forgiven pursuant to section 3.19, "Loan modifications," will be considered a realized loss, and
- a mortgage loan that is delinquent 60 days of more, and while so delinquent is modified pursuant to section 3.19, "Loan modifications," will be considered to remain delinquent 60 days or more until the first anniversary of the effective date of the modification, even if the loan is not delinquent 60 days or more under its modified terms.

14.4 Maintenance of subordination

The *subordination level* for a class (other than a ratio-stripped IO class) is the sum of the class percentages of all classes that are subordinate to that class. If a class's subordination level on the day before a distribution day is less than the class's initial subordination level, then the class will have an *impaired subordination level* on that distribution day.

If a subordinated class has an impaired subordination level on a distribution day, then all principal originally allocated to the subordinated classes will be allocated to the most senior of the subordinated classes with an impaired subordination level and to those subordinated classes that are senior to the impaired class, in proportion to their principal balances, up to those classes' principal balances, and any remainder will be allocated to the remaining subordinated classes, in order of seniority, up to those classes' principal balances.

Example: Suppose that on a distribution day, (a) each of classes B-1 through B-6 had a principal balance on the preceding day of $1,000, (b) the aggregate principal allocation to the subordinated classes is $3,120, and (c) class B-2 has an impaired subordination level. Then on that distribution day

(1) the entire amount allocated to the subordinated classes will be allocated to classes B-1 and B-2, in proportion to their principal balances, up to their principal balances, and

(2) $1,000 of the remaining $1,120 will be allocated to class B-3, reducing its principal balance to zero, and

(3) the remaining $120 will be allocated to class B-4.

15 Allocations among the senior classes

15.1 Order of allocation among senior target-rate classes

On each distribution day the aggregate scheduled and unscheduled principal allocated to the senior target-rate classes will be allocated to classes A-1 and A-2 in proportion to their principal balances until their principal balances are reduced to zero.

15.2 NAS classes

There are no *non-accelerated senior*, or *NAS* classes.

15.3 PAC classes

There are no *planned amortization* (or *PAC*) *classes*.

15.4 TAC classes

There are no *targeted amortization* (or *TAC*) *classes*.

16 Distributions

16.1 Types of distributions

Each distribution will be either an *interest distribution*, a *principal distribution*, a *reimbursement*, or a *residual distribution*, as described in "– Distribution priorities" below.

16.2 Accrual and accrual directed classes

There are no *accrual classes* or *accrual directed classes*.

16.3 Distribution priorities

Subject to section 18, "loss recoveries," on each distribution day, the pool distribution amount will be first distributed to any Insurer to pay any insurance premium, and then to the outstanding classes in the following priority (and, if there are any insured classes, the insured payment and amounts withdrawn from the reserve fund will be applied to make payments to the insured class certificates as provided in "Insured classes" below):

(1) To each senior class, *first*, its current interest allocation for that distribution day, and *second* its interest allocation carryforward from the preceding distribution day, *except* that an accrual class's interest distributions may be redirected as described in "– Accrual and accrual directed classes" above. Distributions of current allocations among the senior classes will be in proportion to current interest allocations for, and distributions of interest allocation carryforwards will be in proportion to interest allocation carryforwards to, that distribution day.

(2) (a) To any ratio-stripped PO class, principal up to its principal allocation for that distribution day, and (b) to the senior target-rate classes, principal up to their aggregate principal allocation for that distribution day, to be distributed to the senior target-rate classes in the priorities described in "Allocations among the senior classes – Order of allocation among senior target-rate classes" above.

(3) To each subordinated class, in order of seniority, *first*, interest up to its interest allocation for that distribution day, and *second*, principal up to its principal allocation for that distribution day, *except* that a subordinated class's principal distribution may be used to reimburse a ratio-stripped PO class, as described in the following paragraph.

(4) Principal distributed to the subordinated classes under the preceding paragraph will be used to reimburse a ratio-stripped PO class up to the amount of (a) any realized subordinated losses

previously allocated to the ratio-stripped PO class, and (b) any reduction to the ratio-stripped PO class's principal balance to reflect the excess of (i) the aggregate principal allocations to the ratio-stripped PO class over (ii) the aggregate principal distributions to the ratio-stripped classes, as described in "Adjustments to class balances" below, to the extent that such losses and reductions were not previously reimbursed under this paragraph (4) or "Loss recoveries" below. Such reimbursements will be taken from distributions to the subordinated classes in order of subordination.

(5) To each class, in order of seniority, a reimbursement of any reduction to the classes' principal balances to reflect the excess of (a) the aggregate principal allocations to the classes over (b) the aggregate principal distributions to the classes, as described in "Adjustments to class balances" below, to the extent such reductions were not previously reimbursed. Classes with equal seniority will share in the reimbursement in proportion to such unreimbursed reductions.

(6) To the residual certificates, a residual distribution of the remaining pool distribution amount.

A class that is no longer outstanding cannot receive a distribution.

Notwithstanding anything to the contrary in this agreement, no distribution will be made to a subordinated class on a distribution day if on that distribution day the principal balance of a more senior class would be reduced by any part of the principal portion of a realized subordinated loss.

16.4 Distributions to certificate holders

On each distribution day, distributions to a class will be distributed to the holders of the certificates of the class in proportion to the principal or notional balances of their certificates.

16.5 Final distribution on the residual certificates

Upon termination of the Trust in accordance with section 9.1, "Termination upon repurchase by CMSI or liquidation of all mortgage loans," any class PR certificates, and if there are no class PR certificates, the LR certificates will receive all amounts remaining in the certificate account and in any retail reserve fund after all required distributions on the certificates, and any required distributions to any Insurer, have been made.

16.6 Wire transfer eligibility

The minimum number of single certificates eligible for wire transfer on each distribution day, for the certificates, is 1,000 (representing a $1,000,000 initial principal balance or initial notional balance) and, for the residual certificates, a 100% percentage interest.

17 Adjustments to class balances

On each distribution day, the principal balance of each class that is not an IO class will be adjusted, in the following order, as follows:

(1) The principal balance of any ratio-stripped PO class will be reduced by realized losses on its PO strip for the preceding month.

(2) The aggregate principal balance of the target-rate classes will be reduced by the principal portion of realized non-subordinated losses on the target-rate strip for the preceding month. The reduction will first be allocated between the subordinated classes, collectively, and the senior target-rate classes, collectively, in proportion to aggregate principal balances. The reduction for the subordinated classes will be

allocated to the individual subordinated classes in proportion to their principal balances. The reduction for the senior target-rate classes will be allocated to the individual senior target-rate classes in proportion to their principal balances, *except* that the principal balance of an accrual class will be deemed to be the lesser of its principal balance or its initial principal balance.

(3) To the extent that on the distribution day an interest distribution to an accrual class is redirected to an accrual directed class, the principal balance of the accrual class will be increased.

(4) The principal balance of each class will be reduced by its principal distributions for that distribution day, including

(a) principal distributions to an accrual directed class that are redirected from interest distributions to an accrual class, and

(b) principal distributions to a subordinated class, even if part or all of those principal distributions are, pursuant to section 16.3(4), used to reimburse a ratio-stripped PO class.

However, any portion of an accrual class's interest distribution that, on the distribution day before the class's accrual termination day, is distributed as principal to the accrual class itself, will neither increase nor decrease the class's principal balance.

(5) The aggregate principal balance of the target-rate classes will be reduced by the principal portion of realized subordinated losses on the target-rate strip for the preceding month. The reductions will be applied first to the subordinated classes in order of subordination, in each case until the principal balance of the class is reduced to zero. If the realized subordinated losses exceed the principal balance of the subordinated classes, the principal balance of the senior target-rate classes will be reduced by the amount of the excess. The excess will be allocated among the senior target-rate classes in proportion to their principal balances, *except* that for this allocation, the principal balance of an accrual class will be deemed to be the lesser of its principal balance or its initial principal balance.

(6) The principal balance of any ratio-stripped PO class will be reduced by the excess of (a) the class's principal allocation over (b) the class's principal distribution for that distribution day.

(7) The principal balance of each target-rate class will be reduced, in order of subordination, in an aggregate amount equal to the excess of (a) the aggregate principal allocations to the target-rate classes over (b) the aggregate principal distributions to the target-rate classes. Classes of equal seniority will share in such reduction in proportion to the amounts by which the principal allocation to each such class exceeded its principal distribution. However, principal balances will not be reduced to the extent that such excess was due to

- a reduction of interest payments resulting from modification of a mortgage loan pursuant to section 3.19, or
- withdrawals from the certificate account pursuant to section 3.8(a)(ii)(C) to reimburse CitiMortgage for capitalized reimbursement amounts.

For purposes of the preceding paragraphs (1) through (7),

- the principal portion of a debt service reduction will not be considered a realized loss, and
- references to the class principal balances in any paragraph mean the principal

balances after the adjustments required by the preceding numbered paragraphs.

Where the principal balance of a class is reduced due to a realized loss under the preceding paragraphs (1), (2) or (5), the loss will be said to be allocated to the class (an *allocated loss*) to the extent of the reduction.

The principal balance of a class may not be adjusted upward to reflect

- a capitalized reimbursement amount on a mortgage loan, or
- for a ratio-stripped PO class, a modification of a mortgage loan pursuant to section 3.19.

18 Loss recoveries

The following rules for loss recoveries supersede any conflicting rules in "Distributions" or "Adjustments to class balances" above.

On each distribution day, the amount of any loss recovery for the preceding month will be distributed as follows:

First , to each senior class to the extent of and in proportion to its aggregate realized losses for that and all preceding months that were not previously reimbursed under this paragraph or, for a ratio-stripped PO class, paragraph 4 of "Distributions — Distribution priorities" above.

Second , to the target-rate classes in the same manner as a distribution of unscheduled principal.

Distributions made pursuant to paragraph *First* above will not result in any adjustments to class balances, but distributions made pursuant to paragraph *Second* above will result in the normal adjustments to the class balances described in paragraph 4 of "Adjustments to class balances" above.

The principal balances of the subordinated classes will be increased in order of seniority to the extent of their aggregate realized losses for that and all preceding months that were not previously reimbursed under this paragraph, up to an aggregate amount for all subordinated classes equal to the loss recovery less the amounts distributed to the senior classes under paragraph *First* above.

Example: In May, there is a $1,000 loss recovery. On the June distribution day, prior to any distributions or adjustments, the senior classes have aggregate unreimbursed losses of $100 of losses that were not subject to subordination and the subordinated classes have aggregate unreimbursed losses of $700. (Unreimbursed losses can be less than the recovery if some classes that previously absorbed losses are no longer outstanding.) Then on the June distribution day,

1 $100 of the loss recovery will be distributed to the senior classes to reimburse them for previously allocated losses, but the distribution will not reduce the principal balances of the senior classes.

2 The remaining $900 of the loss recovery will be distributed to the target-rate classes in the same manner as unscheduled principal, and class balances will be reduced by the amount of the distributions.

3 The principal balances of the subordinated classes will be increased by $700, in order of seniority up to the amount of unreimbursed losses.

If expenses on the liquidated loans for any month exceed the amounts recovered on the liquidated loans for the month, the excess will be treated as a realized loss on the mortgage loans.

19 Additional structuring features

The preceding provisions for allocations and distributions, and for adjustments to class balances, are subject to the following sections on LIBOR classes, composite and component classes, multiple-pool series, retail classes, and insured classes.

20 LIBOR classes
There are no *LIBOR classes* .

21 Composite and component classes
There are no *composite classes* or *component classes* .

22 Multiple-pool series
This is not a multiple-pool series.

23 Super senior and super senior support classes
The following table lists the *super senior classes,* and their related *super senior support classes* and the support amount for each super senior class:

Super senior class	Super senior support class	Support amount
A-1	A-2	$24,688,000

After the subordination depletion date, losses (other than non-subordinated losses) on a target-rate strip that would otherwise reduce the principal balance of a super senior class will instead reduce the principal balance of the related super senior support class up to any support amount shown above for the class.

For these purposes, the principal balance of a super senior support class on a distribution day will be determined after giving effect to the adjustments described in paragraphs (2) through (5) of section 17, "Adjustments to class balances," for that distribution day (which include the reductions for non-subordinated losses, principal distributions and realized subordinated losses), but before the adjustments required by this section 23.

24 Retail classes
There are no *retail classes* . There is no *retail reserve fund* .

25 Insured classes
There are no *insured classes* . There is no *Insurer* , *certificate insurance policy* , *insurance premium* , or *reserve fund* .

26 Advance account
There is/are no *advance account* , *advance account advances* , *advance account available advance amount* , *advance account depository* , *advance account depository agreement* , *advance account funding date* , or *advance account trigger date* , *Paying Agent failure* , or *Paying Agent failure advance* .

27 REMIC provisions

27.1 Constituent REMICs
CMSI and the Trustee will make the appropriate elections to treat the Trust Fund, and the affairs of the Trust Fund will be conducted so as to qualify the Trust Fund, for federal income tax purposes as a single *constituent REMIC* – the *lower-tier REMIC* . The lower-tier REMIC will be the *applicable constituent REMIC* for purposes of section 3.22. There is no pooling REMIC or upper-tier REMIC.

The assets of the lower-tier REMIC will consist of the mortgage loans, such amounts as may from time to time be held in the certificate account and any retail reserve fund, any insurance policies relating to a mortgage loan, and property that secured a mortgage loan and that has been acquired by foreclosure or deed in lieu of foreclosure and all proceeds thereof. Classes A-1 through A-2, A-PO, A-IO, and B-1 through B-6 are designated as the *regular interests* in the lower-tier REMIC within the meaning of Internal Revenue Code Section 860G(a)(1). Class LR is designated as the *residual interest* in the lower-tier REMIC within the meaning of Internal Revenue Code Section 860G(a)(2).

27.2 The class P and class L regular interests
There are no uncertificated *class P regular interests*. There are no uncertificated *class L regular interests*.

27.3 Principal balances and certificate rates for class L regular interests
Not applicable.

27.4 Principal distributions and loss allocations to class L and class P regular interests
Not applicable.

27.5 Interest distributions to class L and class P regular interests
Not applicable.

27.6 REMIC accounts and distributions
(a) CitiMortgage, the Trustee and the Paying Agent will

- perform their duties in a manner consistent with the REMIC provisions of the Internal Revenue Code, and will not knowingly take or fail to take any action that would adversely affect the continuing treatment of the Trust Fund as segregated asset pools and the treatment of each such segregated asset pool as a REMIC or would result in the imposition of a tax on the Trust Fund, or any constituent REMIC, and
- carry out their covenants in this agreement and the elections and reporting required in section 3.15 on behalf of each constituent REMIC, including maintaining the following segregated accounts:
    - the certificate account,
    - if there is a pooling REMIC, a pooling REMIC account,
    - a *lower–tier REMIC account*, and
    - if there is an upper-tier REMIC, an *upper-tier REMIC account*.

Any pooling REMIC account, the lower-tier REMIC account, and any upper-tier REMIC account will be established in the same manner as the certificate account.

CitiMortgage, on behalf of the Trustee, will deposit daily in the certificate account in accordance with section 3.3 all remittances received by it, any amounts required to be deposited in the certificate account pursuant to section 3.2, all other deposits required to be made to the certificate account other than those amounts specifically designated to be deposited in any pooling REMIC account, the lower-tier REMIC account, or any upper-tier REMIC account in this section, "REMIC accounts and distributions," and all investments made with moneys on deposit in the certificate account, including all income or gain from such investments, if any. Funds on deposit in the certificate account will be held and invested in accordance with the applicable provisions of section 3.2 and 3.21. Distributions from the certificate account will be made in accordance with sections 3.6, 3.8 and these Series Terms to make payments in respect of the regular and residual interests in any pooling REMIC, the lower-tier REMIC, and any upper-tier REMIC and to pay servicing fees in accordance with section 3.6(h) and any insurance premium.

Notwithstanding anything herein to the contrary, regular and residual interests in any pooling REMIC, the lower-tier REMIC, and any upper-tier REMIC will not receive distributions directly from the certificate account. On each distribution day,

- if there is a pooling REMIC, CitiMortgage, on behalf of the Trustee, will withdraw from the certificate account and deposit by 12 noon in the pooling REMIC account all distributions to be made on such distribution day in respect of interest on or in reduction of the principal balance of any class P regular interests, and

- if there is no pooling REMIC, CitiMortgage, on behalf of the Trustee, will withdraw from the certificate account and deposit by 12 noon in the lower-tier REMIC account all distributions to be made on such distribution day in respect of interest on or in reduction of the principal balance of the regular interests in the lower-tier REMIC.

If there is an upper-tier REMIC, CitiMortgage, on behalf of the Trustee, will immediately thereafter withdraw from the lower-tier REMIC account and deposit in the upper-tier REMIC account all distributions to be made on such distribution day in respect of interest on or in reduction of the principal balance of any class L regular interests.

The Trustee will cause to be distributed from the lower-tier REMIC account and any upper-tier REMIC account, to the extent funds are on deposit therefor, all amounts required to be distributed with respect to the regular and residual interests in the lower-tier REMIC and any upper-tier REMIC as specified in these Series Terms.

To the extent that any part of the lower-tier REMIC account or any upper-tier REMIC account is designated in these Series Terms as an investment account, the provisions in section 3.20 applicable to the investment of funds will apply to such REMIC accounts. In addition, section 3.3(a) regarding commingling will apply to such REMIC accounts.

(b) CitiMortgage will maintain books for constituent REMICs on a calendar year taxable year and on the accrual method of accounting.

(c) The Trustee will not create, or permit the creation of, any "interests" in any constituent REMIC within the meaning of Internal Revenue Code Section 860D(a)(2) other than the interests represented by the certificates or, if there are multiple REMICs, the uncertificated regular interests in any pooling REMIC or (if there is an upper-tier REMIC) the lower-tier REMIC.

(d) Except as otherwise provided in the Internal Revenue Code, CitiMortgage will not grant, and neither CitiMortgage nor the Trustee will accept, property unless (i) substantially all of the property held by each constituent REMIC constitutes either "qualified mortgages" or "permitted investments" as defined in Internal Revenue Code Sections 860G(a)(3) and (5), respectively, and (ii) no property will be granted to a constituent REMIC after the startup day, unless the grant would not subject the constituent REMIC to the 100% tax on contributions to a REMIC after the startup day imposed by Internal Revenue Code Section 860G(d).

(e) The Trustee will not accept on behalf of the Trust Fund or a constituent REMIC any fee or other compensation for services and will not accept on behalf of the Trust Fund any income from assets other than those permitted to be held by a REMIC.

(f) Neither CitiMortgage nor the Trustee will sell or permit the sale of all or any portion of the mortgage loans, or of an Eligible Investment held in the certificate account or in any REMIC account (other than in accordance with sections 2.2, 2.3, 2.4 and 3.20(a)) unless such sale is pursuant to a "qualified liquidation" as defined in Internal Revenue Code Section 860F(a)(4)(A) and is in accordance with section 9.1.

27.7 Tax matters person

If in any taxable year there will be more than one holder of any class of residual certificates, a *tax matters person* may be designated for the related REMIC, who will have the same duties for the related REMIC as those of a "tax matters partner" under Subchapter C of Chapter 63 of Subtitle F of the Internal Revenue Code, and who will be, in order of priority, (i) CitiMortgage or an affiliate of CitiMortgage, if CitiMortgage or such affiliate is the holder of a residual certificate of the related REMIC at any time during the taxable year or at the time the designation is made, (ii) if CitiMortgage is not a holder of a residual certificate of the related REMIC at the relevant time, CitiMortgage as agent for the holder of the residual certificate of the related REMIC, if the designation is permitted to be made under the Internal Revenue Code, or (iii) the holder of a residual certificate of the related REMIC or person who may be designated a tax matters person in the same manner in which a tax matters partner may be designated under applicable Treasury Regulations, including Treasury Regulations § 1.860F-4(d) and temporary Treasury Regulations § 301.6231(a)(7)-1T.

28 Yield maintenance agreement

There are no classes of *yield protected certificates* .

29 Notice addresses

Notices should be sent:

To the Trustee at its corporate trust office at One Federal Street, 3rd Floor, Boston, Massachusetts 02110, Attention: Corporate Trust Services.

To CMSI at Citicorp Mortgage Securities, Inc., 1000 Technology Drive, O'Fallon, Missouri 63368, Attention: Daniel P. Hoffman.

To CitiMortgage at CitiMortgage, Inc., 1000 Technology Drive, O'Fallon, Missouri 63368, Attention: Daniel P. Hoffman.

To S&P at 55 Water Street, 41st Floor, New York, New York 10041, Attention: RMBS Surveillance.

To Moody's at 99 Church Street, New York, New York 10007.

To Fitch at Residential Mortgage Pass-Through Monitoring, Fitch Ratings, One State Street Plaza, 30th Floor, New York, New York 10004.

To Citibank, N.A. at (a) for certificate transfer and presentment of certificates for final distribution, at 111 Wall Street, 15th floor, New York, NY 1005, Attention: 15th floor window, and (b) for all other purposes, at 388 Greenwich Street, 14th Floor, New York, NY 10013, Attention: Agency and Trust, CMSI.

To the Mortgage Note Custodian at Citibank, N.A., 5280 Corporate Drive, M/C 0005, Frederick, Maryland 21703, Attention: Loretta Badgett.

To any Insurer, at the address given for the Insurer in the first paragraph of "Insured classes" above.

The Paying Agent, any Insurer, CMSI and CitiMortgage may each change their address for notices by written notice to the others. The Trustee may change its corporate trust office by written notice to CMSI, CitiMortgage, any Insurer, and all certificate holders.

Notwithstanding anything to the contrary herein, any and all email communications (both text and attachments) by or from the Paying Agent that the Paying Agent in its sole discretion deems to contain confidential, proprietary, and/or sensitive information will be encrypted. The recipient (the *Email Recipient*) of the email communication will be required to complete a one-time registration process. Instructions on how to register and/or retrieve an encrypted message will be included in the first secure email sent by the Paying Agent to the Email Recipient. Additional information and assistance on using the Paying Agent's encryption technology can be found at the Paying Agent's website www.citigroup.com/citigroup/citizen/privacy/email.htm or by calling (866) 535-2504 (in the U.S.) or (904) 954-6181 at any time.

30 Initial Depositories

The initial Depository for the certificate and servicing accounts for the mortgage loans will be Citibank, N.A.

STANDARD TERMS

1 Definitions and usages

1.1 Defined terms

In this agreement, the following words and phrases have the following meanings:

accrual termination day : For an accrual class, the earlier of (1) the first distribution day on which the principal balance of each of its accrual directed classes on the preceding day is zero, or (2) the subordination depletion date.

affiliate : For a specified person, any other person that controls, is controlled by or is under common control with the specified person. In this definition, "control" of a specified person means the power to direct the management and policies of the person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have correlative meanings.

affiliated servicing fee rate : 0.25% per annum. The *monthly* affiliated servicing fee rate is one-twelfth of the affiliated servicing fee rate.

aggregate outstanding advances : For a determination date, the aggregate of net servicing account advances, net voluntary advances, net Paying Agent advances and advance account advances made from the cut-off date to the determination date, plus any uncommitted cash advances to be made on the next distribution day.

appraisal : For a mortgage loan, the appraisal conducted in connection with the origination of the mortgage loan, whether originated upon the purchase of the related mortgaged property or in connection with a refinancing.

Authorized Officer : For CitiMortgage or CMSI, the Chairman of the Board of Directors, the President, any Executive Vice President, Senior Vice President, Vice President, Assistant Vice President, Controller, Assistant Controller, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer, or any other natural person designated in an officer's certificate signed by any of the foregoing officers and furnished to the Trustee and, solely in the case of a statement given pursuant to section 3.22, any Servicing Officer.

Bankruptcy Code : The United States Bankruptcy Code of 1978.

bankruptcy coverage termination date : If there is a bankruptcy loss limit, the distribution day on which the bankruptcy loss limit has been reduced to zero or a negative number (or the subordination depletion date, if earlier).

bankruptcy loss : For a mortgage loan, (1) a debt service reduction or (2) a deficient valuation, *unless* , in either case, CitiMortgage has notified the Trustee that CitiMortgage is diligently pursuing any remedies that may exist in connection with the representations and warranties made regarding the related mortgage loan and either (A) the related mortgage loan is not in default with regard to payments due thereunder, or (B) delinquent payments of principal and interest under the related mortgage loan, and any premiums on any applicable hazard insurance policy and any related escrow payments for the mortgage loan, are being advanced on a current basis without giving effect to any debt service reduction.

bankruptcy loss limit : If an initial bankruptcy loss limit is stated in the Series Terms, for a distribution day, the initial bankruptcy loss limit minus the aggregate amount of bankruptcy losses since the cut-off date. The bankruptcy loss limit may be further reduced by CitiMortgage (including accelerating the manner in which such coverage is reduced) provided that prior to the reduction, each rating agency confirms in writing to CitiMortgage (with a copy to the Trustee) that the reduction will not adversely affect the rating agency's then-current rating of any class of certificates.

beneficial owner : For a certificate held by a Clearing Agency, the person who is the beneficial owner of the certificate as reflected on the Clearing Agency's books or on the books of a person maintaining an account with the Clearing Agency (directly or as an Indirect Participant, in accordance with the Clearing Agency's rules).

business day : Any day other than a Saturday, a Sunday or a day on which banking institutions in New York, New York or in the cities where the Trustee, the Paying Agent, CMSI, CitiMortgage, any Insurer (but only to the extent that the Insurer is required under this agreement to make or receive a payment on that day), any delegated servicers, and (but only if the third-party servicer is depositing funds received on third-party mortgage loans with CitiMortgage or the Paying Agent on that day) the third-party servicer is located are authorized or obligated by law or executive order to be closed or, in the case of a distribution day and if there are book-entry certificates, any day on which the relevant Clearing Agency is closed. For purposes of determining LIBOR for any LIBOR classes, a business day is a day on which banks in London and New York are open for the transaction of international business.

buydown account : The deposit account or accounts, which may bear interest, created and maintained in the name of the Trustee for the benefit of the mortgagors, subject to the rights of the Trustee pursuant to the buydown subsidy agreements.

buydown funds : Funds contributed at origination by the seller or buyer of a property subject to a buydown mortgage loan, or by any other source, plus interest earned thereon, in order to reduce the payments required from the mortgagor for a specified period in specified amounts.

buydown mortgage loan : Any mortgage loan for which, pursuant to a buydown subsidy agreement, (i) the mortgagor pays less than the full monthly payments specified in the mortgage note for a specified period, and (ii) the difference between the payments required under the buydown subsidy agreement and the mortgage note is provided from buydown funds.

buydown subsidy agreement : The agreement relating to a buydown mortgage loan pursuant to which an Originator may apply the buydown funds to a mortgagor's payments.

certificate holder or *holder* : The person in whose name a certificate is registered in the Certificate Register.

Citibank banking affiliate : An affiliate of Citibank, N.A. that is either (i) a federal savings and loan association duly organized, validly existing and in good standing under the federal banking laws, (ii) an institution duly organized, validly existing and in good standing under the applicable banking laws of any state, or (iii) a national banking association duly organized, validly existing and in good standing under the federal banking laws.

class : For certificates, any certificates designated as a class in the Series Terms, for any class L or class P regular interests, the regular interests in the constituent REMIC designated as such in "REMIC provisions" above, and for residual certificates, all residual certificates having the same class designation. A "class" will be understood not to include a residual class of certificates unless otherwise expressly stated.

class percentage : For one or more classes, the ratio of the aggregate of the principal balances of the classes to the aggregate of the principal balances of all classes of the series, expressed as a percentage.

classes A-x through A-y : For a positive integer x and a greater integer y, each class A- z for all integers z from x through y, inclusive. *Example* : "classes A-3 through A-5" means each of classes A-3, A-4, and A-5. If a class is designated with an integer and letter pair, then such class follows the class with the same integer x and precedes the class of the next greater integer y. *Example* : "classes A-3 through A-5" means, if there are classes A-4A and A-4B, each of classes A-3, A-4, A-4A, A-4B, and A-5.

classes B-x through B-y : For a positive integer x and any greater integer y, each class B- z for all integers z from x through y, inclusive. *Example* : "classes B-3 through B-5" means each of classes B-3, B-4 and B-5.

Clearing Agency : An organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act. The initial Clearing Agency will be The Depository Trust Company.

Clearing Agency Participant : A broker, dealer, bank other financial institution or other person for whom a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

collected servicing fee on a mortgage loan: For any month, the excess of the interest payment received on the mortgage loan for the month (including accrued interest due but not received from liquidation or insurance proceeds for liquidated loans) over the amount of interest on the mortgage loan for the month at the pass-through rate, up to the servicing fee CitiMortgage is permitted to retain under this agreement.

debt service reduction : For a mortgage loan, a reduction in the scheduled monthly loan payment for the mortgage loan by a court of competent jurisdiction in a proceeding under the Bankruptcy Code or any similar state law, except a reduction that would constitute a deficient valuation. If the court proceeding results in an increase in the scheduled payment for a month (for example, a final balloon payment or a payment in a month after the originally scheduled maturity of the mortgage loan), the increased payment will be considered a scheduled payment and not a debt service reduction.

Example: Suppose a homeowner has a mortgage loan with an outstanding principal balance of $50,000 and an interest rate of 7%. The loan has 10 years to run. The homeowner files for bankruptcy, and the bankruptcy court (1) reduces the outstanding principal balance to $40,000, (2) reduces the interest rate to 6%, and (3) stretches the payments out to 20 years. Then

- *the $10,000 reduction in principal owed is a bankruptcy loss, and*
- *the difference between the monthly payment the homeowner would have made on the remaining $40,000 at the original interest rate and maturity, and the monthly payment the homeowner is now required to make on the new lower interest rate and extended maturity, is a debt service reduction, and*
- *payments in the final 10 years (that is, after the originally scheduled maturity) will be scheduled payments.*

deficient valuation : For a mortgage loan, a valuation by a court of competent jurisdiction of the mortgaged property in an amount less than the then-outstanding indebtedness under the mortgage loan, or a reduction in the scheduled monthly principal payment that results in a permanent forgiveness of principal, which valuation or reduction results from a proceeding under the Bankruptcy Code or any similar state law.

delegated servicer : A person or persons, including a special servicer, to whom CitiMortgage delegates some or all of its servicing obligations pursuant to section 4.5.

Depository : The bank or banks or savings and loan association or associations or trust company or companies (which may be the Trustee or which may be Citibank, N.A. or a Citibank banking affiliate) at which the certificate account, distribution account, and any buydown account, escrow account, custodial account for P&I and servicing account are established or maintained pursuant to section 3.2, 3.3 or 6.

determination date : For each distribution day, the close of business on the 18th day (or, if that day is not a business day, the preceding business day) of the month in which the distribution day occurs.

discount loan : A mortgage loan that on the closing date has a pass-through rate less than the target rate.

eligible account : A segregated account maintained with an institution whose deposits are insured by the FDIC, and which is either rated at least

- F1 (short term) by Fitch if Fitch is a rating agency,
- P-1 (short term) or A2 (long term) by Moody's if Moody's is a rating agency, and
- A-2 (short term) by S&P, or if there is no short-term rating by S&P, at least BBB+ (long term), if S&P is a rating agency,

or is a trust account (which will be a "special deposit account") maintained with the trust department of a federal or state chartered depository institution or of a trust company, having capital and surplus of not less than $50 million, acting in its fiduciary capacity.

ERISA : The Employee Retirement Income Security Act of 1974.

ERISA Restricted Certificates : The B-4, B-5 and B-6 certificates.

Exchange Ac t: The Securities Exchange Act of 1934.

extraordinary event : Any of the following events: (i) hostile or warlike action in time of peace or war; (ii) the use of any weapon of war employing atomic fission or radioactive force whether in time of peace or war; or (iii) insurrection, rebellion, revolution, civil war or any usurped power or action taken by any governmental authority in preventing such occurrences (but not including looting or rioting occurring not in time of war).

FDIC : The Federal Deposit Insurance Corporation.

Fitch : Fitch Ratings.

fraud loss limit : If an initial fraud loss limit is stated in the Series Terms, for a distribution day,

(X) prior to the second anniversary of the cut-off date, the initial fraud loss limit minus the aggregate amount of fraud losses since the cut-off date, and

(Y) from the second through fifth anniversary of the cut-off date, (1) the lesser of (a) the fraud loss limit as of the most recent anniversary of the cut-off date and (b) 0.50% of the aggregate scheduled principal balance of all the mortgage loans as of the most recent anniversary of the cut-off date, minus (2) the aggregate amount of fraud losses since the most recent anniversary of the cut-off date.

After the fifth anniversary of the cut-off date the fraud loss limit will be zero.

fraud loss : A liquidated loan loss as to which there was fraud in the origination of the mortgage loan.

GIC : A guaranteed investment contract or surety bond.

GNMA : the Government National Mortgage Association.

group : In a multiple-pool series, the classes related to a pool; in a single-pool series, all the classes.

group target-rate class percentage : For one or more target-rate classes of a group, the ratio of the classes' principal balance to the principal balance of all target-rate classes of the group, expressed as a percentage. For a single pool series, the group target-rate class percentage is the same as the target-rate class percentage.

Guide : The CitiMortgage, Inc. Servicing Guide, being the manual relating to CitiMortgage's mortgage loan purchase program, as revised or supplemented from time to time.

high-cost mortgage loan : A "high cost loan," "high-rate, high-fee mortgage," "covered loan," or similar loan under any predatory lending law, if the law contains provisions that may result in liability of the Trust Fund as a purchaser or assignee of the loan.

holder : Has the same meaning as "certificate holder."

hypothetical mortgage loan : A non-existent mortgage loan that, combined with one or more other hypothetical mortgage loans, would have the same interest and principal payments as an actual mortgage loan.

Example: A mortgage loan having a principal balance of $100,000 and a pass-through rate of 8% could be divided into two hypothetical mortgage loans, the first having a $100,000 principal balance and a pass-through rate of 7% per annum, and the second an IO loan having a $100,000 principal balance and a pass-through rate of 1% per annum. References to the hypothetical mortgage loans in the target-rate strip will include those actual mortgage loans whose pass-through rates equal the target rate.

independent accountants : Accountants who are "independent" within the meaning of Rule 2-01(b) of the Securities and Exchange Commission's Regulation S-X under the Exchange Act.

Indirect Participant : An organization that participates in the Clearing Agency by clearing through or by maintaining a custodial account with a Participant.

initial : As applied to a principal or notional balance, target-rate class percentage, or subordination level, means the principal or notional balance, target-rate class percentage, or subordination level as of the cut-off date.

insurance proceeds : Proceeds of

- a primary mortgage insurance policy,
- a hazard insurance policy to the extent not applied to restore the mortgaged property or released to the mortgagor in accordance with CitiMortgage's normal servicing procedures or, for a third-party servicer, the Guide, and
- any other insurance policy or bond relating to the mortgage loans or their servicing.

Internal Revenue Code : The Internal Revenue Code of 1986.

investment account : The certificate account (but only if so stated in the Series Terms) and any other account or any portion thereof that consists of cash or Eligible Investments.

investment income : Any and all income and gains, net of any losses, actually received on the investment of funds on deposit in all investment accounts.

IO class : A class that has a certificate rate but no principal balance, receives interest distributions on its notional balance, but does not receive principal distributions.

IO loan : A mortgage loan having only a "notional balance." Such a mortgage loan would pay interest (usually at a variable rate) on its notional balance, but would not pay principal.

IO strip : The ratio-stripped IO loans for all the premium loans.

liquidated loan : A mortgage loan for which

- the related mortgaged property has been acquired, liquidated or foreclosed, and the relevant servicer determines that all liquidation proceeds it expects to recover have been recovered, or
- the related mortgaged property is retained or sold by the mortgagor, and the relevant servicer has accepted payment from the mortgagor in consideration for the release of the mortgage in an amount that is less than the outstanding principal balance of the mortgage loan as a result of a determination by the relevant servicer that the potential liquidation expenses for the mortgage loan would exceed the amount by which the cash portion of such payment is less than the outstanding principal balance of the mortgage loan.

liquidated loan loss : For a distribution day, the aggregate losses for each mortgage loan that became a liquidated loan prior to the first day of the month that contains the distribution day, which for each such liquidated loan will equal the excess of

- (A) the unpaid principal balance of the mortgage loan on the first day of the preceding month, plus (B) accrued interest in accordance with the amortization schedule at the time applicable to the mortgage loan at the applicable mortgage note rate from the first day of the month as to which interest was last paid on the mortgage loan through the last day of the month in which the mortgage loan became a liquidated loan, over
- the net liquidation proceeds for the mortgage loan.

Each liquidated loan loss will have an interest portion and a principal portion. If net liquidation proceeds for the mortgage loan exceed the accrued interest described in clause (B) above, the *interest portion of the liquidated loan loss* will be zero; otherwise, the interest portion of the liquidated loan loss will be the excess of the accrued interest described in clause (B) above over such net liquidation proceeds. The *principal portion of a liquidated loan loss* will equal the liquidated loan loss minus the interest portion of the liquidated loan loss.

liquidation expenses : For a liquidated loan, out-of-pocket expenses paid or incurred by or for the account of the relevant servicer or the Trust Fund for (a) servicing advances not previously reimbursed, (b) property sales expenses, (c) foreclosure costs, including court costs and reasonable attorneys' fees, (d) similar expenses reasonably paid or incurred in connection with the liquidation of the mortgage loan, (e) servicing fees not previously paid on the liquidated loan, and (f) any tax imposed on the Trust Fund with respect to a liquidated loan or property received by deed in lieu of foreclosure.

liquidation proceeds : For a period, the amounts received by the relevant servicer in connection with the liquidation of a liquidated loan, whether through judicial or non-judicial foreclosure, proceeds of insurance policies, condemnation proceeds, proceeds of a deficiency action (less amounts retained by CitiMortgage pursuant to section 3.12), or otherwise, including payments received from the mortgagor for the liquidated loan, other than amounts required to be paid to the mortgagor pursuant to the terms of the liquidated loan or to be applied otherwise pursuant to law.

loss recovery : For a liquidated loan, any amounts received on the liquidated loan (net of expenses on the liquidated loan) for any month after the month in which the mortgage loan becomes a liquidated loan, that are not applied to the reduction of aggregate outstanding advances for the liquidated loan.

master servicing fee : The amount payable to CitiMortgage pursuant to section 3.7.

master servicing fee rate : The per annum rate agreed between CitiMortgage and a third-party servicer for calculating the master servicing fee. The *monthly* master servicing fee rate will be one-twelfth of the master servicing fee rate.

month : A calendar month.

Moody's : Moody's Investors Service, Inc.

mortgage : For a mortgage loan, the mortgage or deed of trust creating a first lien on and an interest (a) for a mortgage loan relating to a cooperative apartment in a cooperative housing corporation, in the mortgagor's interest therein securing a mortgage note, and (b) for other cases, in real property securing a mortgage note.

mortgage documents : All documents contained in the mortgage file.

mortgage file : All the documents listed in section 2.1 that are required to be delivered to either the Mortgage Note Custodian or CitiMortgage pertaining to a particular mortgage loan, and any additional documents required to be added to such documents pursuant to this agreement.

mortgage loan : At any time, the indebtedness of a mortgagor evidenced by a mortgage note that is secured by real property (or shares evidencing ownership interest in a cooperative apartment in a cooperative housing corporation) and that is sold and assigned to the Trustee and held at such time in the Trust Fund pursuant to this agreement, the mortgage loans originally so held being identified in the mortgage loan schedule.

mortgage loan schedule : The list of mortgage loans transferred to the Trustee as part of the Trust Fund, attached as exhibit B, or separately delivered, in physical or electronic form, to the Trustee.

mortgage note : For a mortgage loan, the promissory note or other evidence of indebtedness of the mortgagor.

mortgage note rate : For a mortgage loan, the annual rate per annum at which interest accrues on the mortgage loan.

mortgaged property : Any real property subject to a mortgage, or any cooperative apartment in a cooperative housing corporation.

mortgagor : The obligor on a mortgage note.

multiple-pool series : A series in which the mortgage loans are divided into two or more pools for purposes of allocations and distributions. Each series is either a single-pool series or a multiple-pool series.

net liquidation proceeds : For a period, the aggregate amount of liquidation proceeds for a liquidated loan, net of related liquidation expenses not previously recovered.

net REO proceeds : For a REO loan, REO proceeds net of any related expenses of the relevant servicer.

net Paying Agent advances : For a period, the amount (which may be negative) obtained by subtracting the amount of any reimbursements for Paying Agent advances received in the period from the aggregate amount of Paying Agent advances made in the period.

net voluntary advances : For a period, the amount (which may be negative) obtained by subtracting the amount of any reimbursements for voluntary advances received in the period from the aggregate amount of voluntary advances made in the period.

nonrecoverable advance : Any portion of a voluntary advance or Paying Agent advance previously made or proposed to be made in respect of a mortgage loan that has not been previously reimbursed to the relevant servicer or the Paying Agent and that, in the good faith judgment of such person, would not be ultimately recoverable from liquidation proceeds or other recoveries in respect of the related mortgage loan. Nonrecoverable advances also include any advance by CitiMortgage of part or all of the shortfall in interest collections on a mortgage loan due to the federal Servicemembers Civil Relief Act or any similar state legislation that cannot be recouped from later payments on the mortgage loan. The determination by such person that it has made a nonrecoverable advance or that any proposed advance, if made, would be a nonrecoverable advance, will be evidenced by a certification of a Servicing Officer delivered to the Trustee and the Paying Agent and detailing the basis for such determination, but any delay or failure to send such certification will not impair such person's right to withhold or recover such advance.

non-subordinated losses : (1) Special hazard, fraud or bankruptcy losses that exceed the then-applicable limit for that type of loss, (2) realized losses from extraordinary events, and (3) interest shortfalls due to limitations on interest rates mandated by the federal Servicemembers Civil Relief Act or any comparable state laws.

non-supported prepayment interest shortfall : For a distribution day and a class (other than a PO class), the class's proportionate share, based on interest accrued, of the sum of (1) for affiliated mortgage loans, the excess, if any, of the prepayment interest shortfalls on such mortgage loans for that distribution day over the amount deposited in the distribution account by CitiMortgage pursuant to section 3.4 in connection with prepayment interest shortfalls, and (2) for third-party mortgage loans, any excess of the prepayment interest shortfalls on such mortgage loans for that distribution day over the aggregate amount deposited in the certificate account in respect thereof by the applicable third-party servicers as required by section 3.4 and the Guide.

officer's certificate : A certification signed by an Authorized Officer of CitiMortgage or CMSI and delivered to the Trustee or Paying Agent.

opinion of counsel : A written opinion of counsel, who (unless otherwise specified herein) may be counsel for, or an employee of, CMSI or an affiliate of CMSI, which counsel will be reasonably acceptable to the Trustee.

order of seniority : For the target-rate classes, the following order: the senior classes, followed by classes B-1, B-2, B-3, B-4, B-5 and B-6.

order of subordination : For the target-rate classes, the following order: classes B-6, B-5, B-4, B-3, B-2 and B-1, followed by the senior classes.

original value : For the mortgaged property underlying a mortgage loan, the lesser of

- the sales price of the mortgaged property and
- its appraisal value determined pursuant to an appraisal made in connection with origination of the mortgage loan, except that the original appraisal of the mortgaged property may be used for a refinanced mortgage loan the unpaid principal balance of which, after refinancing, does not exceed the unpaid principal balance of the original mortgage loan at the time of refinancing by an amount greater than the amount of the closing costs associated with the refinancing.

The *original value* of a mortgage loan is the original value of the mortgaged property underlying the mortgage loan plus the value of any other property securing the mortgage loan.

Originator : The affiliate or affiliates of CMSI, or the third-party originators, from which CMSI is acquiring the mortgage loans.

outstanding : (1) For certificates as of any date, all certificates previously authenticated and delivered under this agreement except:

(i) certificates that have been canceled by the Certificate Registrar or delivered to the Certificate Registrar for cancellation;

(ii) certificates for which money for a distribution in the necessary amount to reduce the principal balance to zero has been deposited with the Paying Agent in trust for the holders of such certificates; provided, however, that if a distribution in reduction of the principal balance of such certificates to zero will be made, notice of the distribution has been duly given pursuant to this agreement or provision therefor, satisfactory to the Trustee, has been made;

(iii) certificates in exchange for or in lieu of which other certificates have been authenticated and delivered pursuant to this agreement unless proof satisfactory to the Certificate Registrar is presented that any such certificates are held by a protected purchaser under Article 8 of the Uniform Commercial Code in effect in the applicable jurisdiction; and

(iv) certificates alleged to have been destroyed, lost or stolen for which replacement certificates have been issued as provided for in section 5.3 and authenticated and delivered pursuant to this agreement;

provided , however, that in determining whether the holders of the requisite percentage of the aggregate principal balance or percentage interest of any outstanding certificates or of the outstanding certificates of any one or more classes have given any request, demand, authorization, direction, notice, consent or waiver, such percentage will be based on the principal balance of such certificate and provided, further, certificates owned by CMSI or any other obligor upon the certificates or any affiliate of CMSI or such other obligor will be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only certificates which the Trustee knows to be so owned will be so disregarded and except that where CMSI or any other obligor upon the certificates or any affiliate of CMSI or such other obligor will be owner of 100% of the aggregate principal balance or percentage interest of any outstanding certificates, CMSI or such other obligor or affiliate will be permitted to give any request, demand, authorization, direction, notice, consent or waiver hereunder. Certificates so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such certificates and that the pledgee is not CMSI or any other obligor upon the certificates or any affiliate of CMSI or such other obligor.

(2) for a class for any day, a class with a non-zero principal balance or non-zero notional balance on that day, and

(3) for a mortgage loan, for the first day of a month, a mortgage loan that, prior to such first day, was not the subject of a principal prepayment in full, did not become a liquidated loan, and was not purchased pursuant to section 2.2 or 2.3.

Participant : A participating organization in the Clearing Agency.

pass-through rate : For a mortgage loan for any date or period, the applicable mortgage note rate, minus

- for an affiliated mortgage loan, the affiliated servicing fee rate, and
- for a third-party mortgage loan, the sum of the third-party servicing fee rate and the master servicing fee rate.

Any regular monthly remittance of interest at the pass-through rate for a mortgage loan is based upon annual interest at that rate on the scheduled principal balance as of the first day of the month of the mortgage loan divided by twelve. Interest at the pass-through rate will be computed on the basis of a 360-day year, each month being assumed to have 30 days. The *monthly* pass-through rate will be one-twelfth of the pass-through rate.

(Any partial remittance of interest at such rate by reason of a full principal prepayment is based upon annual interest at that rate on the prepaid principal balance of the related mortgage loan, multiplied by a fraction the numerator of which is the actual number of days elapsed in the month of the prepayment to the date of the prepayment, and the denominator of which is 360. For affiliated mortgage loans, and some or all of the third-party mortgage loans, the mortgagor is not required to pay interest on a partial principal prepayment that is received during a month. The amounts required to be paid pursuant to section 3.4 are in addition to any interest payments made by mortgagors and passed through on full and partial prepayments.)

percentage interest : For a class of residual certificates, if the residual certificate has a principal balance as specified in the Series Terms, the ratio of the initial principal balance of the residual certificate to the aggregate initial principal balance of the entire class, expressed as a percentage; if the residual certificate does not have a principal balance, the portion represented by such residual certificate (expressed as a percentage) of the total ownership interest in the applicable constituent REMIC represented by all residual certificates of the class. For a certificate of an IO class, the ratio of the notional balance of the certificate to the aggregate notional balance of the entire class.

person : Any legal person, including any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

PO class : A class that has a principal balance and receives principal distributions, but does not have a certificate rate and does not receive interest distributions.

PO loan : A mortgage loan that has a principal balance, but on which no interest is paid by the mortgagor.

PO strip : The ratio-stripped PO loans for all the discount loans.

pool : A pool of mortgage loans.

pool distribution amount : For a distribution day and a mortgage loan pool, the funds eligible for distribution to the related classes on that distribution day, being all amounts deposited into the certificate account relating to that pool, but excluding the following:

(a) uncommitted cash that will not be used on the distribution day for an uncommitted cash advance;

(b) all permitted withdrawals from the certificate account pursuant to section 3.8; and

(c) all income from Eligible Investments that are held in an investment account.

predatory lending law : The Georgia Fair Lending Act, the Maine Consumer Credit Code – Truth-in-Lending, the New Jersey Home Ownership Security Act of 2002, the New Mexico Home Loan Protection Act, the New York Predatory Lending Act, or any similar state, local or federal law that regulates high-cost mortgage loans.

Predecessor Certificates : For a particular certificate of a class, every previous certificate of that class evidencing all or a portion of the same principal balance, notional balance or percentage interest as that evidenced by the particular certificate; for the purpose of this definition, any certificate authenticated and delivered under section 5.3 in lieu of a lost, destroyed or stolen certificate will be deemed to evidence the same principal balance, notional balance or percentage interest, as the case may be, as the lost, destroyed or stolen certificate.

premium loan : As of any day, a mortgage loan having a pass-through rate on that day equal to or greater than the target rate.

prepayment interest shortfall : For a mortgage loan that was the subject of a principal prepayment applied during the preceding month, an amount equal to (1) one month of interest on the principal prepayment at the pass-through rate, less (2) the amount of any interest (adjusted to the pass-through rate) on the principal prepayment received from the mortgagor.

primary mortgage insurance certificate : The certificate of primary mortgage insurance relating to a particular mortgage loan to the extent initially set forth in the mortgage loan schedule.

principal prepayment : For a mortgage loan, a payment of principal on the mortgage loan that is received in advance of the date it is scheduled to be paid and that is not accompanied by an amount representing scheduled interest for any month subsequent to the month of prepayment, but excluding any proceeds of or advances on a liquidated loan.

private certificates : The residual certificates and certificates of classes B-4 through B-6 and, unless otherwise stated in the Series Terms, any ratio-stripped IO classes.

Proceeding : Any suit in equity, action at law or other judicial or administrative proceeding.

Qualified GIC : A GIC, assigned to the Trustee or Paying Agent, or entered into by the Trustee or Paying Agent at the direction of CMSI, on or before the closing date, providing for the investment of funds insuring a minimum or fixed rate of return on investments of such funds, which contract or surety bond will

(a) be an obligation of an insurance company, trust company, commercial bank (which may be Citibank, N.A. or a Citibank banking affiliate) or other entity whose credit standing is confirmed in writing as acceptable by each rating agency;

(b) provide that the Trustee or the Paying Agent may exercise all of the rights of CMSI under such contract or surety bond without the necessity of the taking of any action by CMSI;

(c) provide that if at any time (subject to the second proviso of this section (c)) the then current credit standing of the obligor under such guaranteed investment contract is such that continued investment pursuant to such contract of funds included in the Trust Fund would result in a downgrading of any rating of any class of certificates, the Trustee or the Paying Agent may terminate such contract and be entitled to the return of all funds previously invested thereunder, together with accrued interest thereon at the interest rate provided under such contract through the date of delivery of such funds to the Trustee or the Paying Agent, provided that the Trustee or the Paying Agent will not be charged with knowledge of any such potential downgrading unless it will have received written notice of such potentiality from the provider of the GIC which must be obligated to give such notice at least once per year; provided, further, that upon any such event CMSI, by written notice to the Trustee or the Paying Agent, may replace such contract with a substitute GIC having substantially the same terms (including without limitation a rate of return at least as high as the contract being replaced) so long as such substitute contract has an obligor with a credit standing no less than the credit standing of the obligor under the contract to be replaced at the time the contract was executed and such fact is certified by CMSI to the Trustee or the Paying Agent;

(d) provide that the Trustee's interest therein will be transferable to any successor trustee hereunder;

(e) provide that the funds invested thereunder and accrued interest thereon be available not later than the day prior to any distribution day on which such funds may be required for distribution hereunder; and

(f) meet such other standards as may be specified in the Series Terms.

Qualified Nominee : A person (who may not be CMSI or an affiliate of CMSI) in whose name Eligible Investments held by the Trustee or Paying Agent may be registered as nominee of the Trustee or the Paying Agent in lieu of registration in the name of the Trustee or the Paying Agent, provided that the following conditions will be satisfied in connection with such registration:

(a) the instruments governing the creation and operation of the nominee provide that neither the nominee nor any owner of an interest in the nominee (other than the Trustee or the Paying Agent) will have any interest, beneficial or otherwise, in any Eligible Investments held in the name of the nominee, except for the purpose of transferring and holding legal title thereto;

(b) the nominee and the Trustee or the Paying Agent have entered into a binding agreement in substantially the form to be provided by CMSI establishing that any Eligible Investments held in the name of the nominee are to be held by the nominee as agent (other than commission agent or broker) or nominee for the account of the Trustee; and

(c) in connection with the registration of any Eligible Investment in the name of the nominee, all requirements under applicable governmental regulations necessary to effect a valid registration of transfer of such Eligible Investment are complied with as evidenced to the Trustee and the Paying Agent upon its request by an opinion of counsel.

ratio-stripped IO class : An IO class with an initial notional balance equal to the initial notional balance of one or more IO strips, and that receives interest distributions solely from distribution on those strips.

ratio-stripped IO loan : For any premium loan with a pass-through rate greater than the target rate, a single hypothetical IO loan that, combined with a single hypothetical target-rate loan, has the same interest and principal payments as the premium loan.

Example: For a premium loan with a $100,000 principal balance and a pass-through rate 1% per annum greater than the target rate, the (hypothetical) ratio-stripped IO loan will have a notional balance of $100,000 and a pass-through rate of 1% per annum, and the (hypothetical) target-rate loan will have a principal balance of $100,000 and a pass-through rate equal to the target rate.

ratio-stripped PO class : A PO class whose initial principal balance equals the initial principal balance of one or more PO strips (rounded down to the nearest whole dollar), and that receives principal distributions solely from distribution on those strips, or from reimbursements from subordinated classes.

ratio-stripped PO loan : For any discount loan, a single hypothetical PO loan that, combined with a single hypothetical target-rate loan, has the same interest and principal payments as the original discount loan.

Example: For a discount loan with a $100,000 principal balance and a pass-through rate 1% per annum less than the target rate of 5% per annum, the (hypothetical) ratio-stripped PO loan will have a principal balance of $20,000 and a pass-through rate of 0%, and the (hypothetical) target-rate loan will have a principal balance of $80,000 and a pass-through rate equal to the target rate.

realized losses : For a distribution day,

- liquidated loan losses (including special hazard losses and fraud losses) and bankruptcy losses incurred in the preceding month. For a realized loss consisting of a liquidated loan loss, the *interest* and *principal portions* of the realized loss will equal the interest and principal portions of the liquidated loan loss; and
- reductions in the principal balance of mortgage loans as part of loan modifications pursuant to section 3.19.

reasonably foreseeable default : CitiMortgage has contacted the mortgagor, has evaluated the mortgagor's current ability to make scheduled monthly loan payments, and has a reasonable basis for determining that the mortgagor is unlikely to make one or more scheduled monthly loan payments in the foreseeable future.

record date : For a distribution day, the close of business on (a) for a LIBOR class, the last day (whether or not a business day) of its last LIBOR accrual period preceding the distribution day, and (b) for any other class, the last day of the preceding month.

relevant servicer : CitiMortgage or a third-party servicer, as the context requires.

REMIC : A "real estate mortgage investment conduit" within the meaning of Internal Revenue Code Section 860D. References to the "REMIC" are to the constituent REMICs constituted by the Trust Fund.

REMIC Provisions : The provisions of the federal income tax law relating to REMICs, which appear at Sections 860A through 860G of the Internal Revenue Code.

REO loan : A mortgage loan that is not a liquidated loan and as to which the related mortgaged property is held as part of the Trust Fund.

REO proceeds : Proceeds, net of any related expenses, received in respect of any REO loan (including, without limitation, proceeds from the rental of the related mortgaged property).

REO property : A mortgaged property acquired by the Trust Fund through foreclosure or deed-in-lieu of foreclosure in connection with a defaulted mortgage loan or otherwise treated as having been acquired pursuant to the REMIC Provisions.

Required Amount of Certificates : (i) 2/3 or more of the aggregate voting interest of the outstanding certificates, if affected by the occurrence of an Event of Default and (ii) 2/3 or more of the aggregate outstanding percentage interest of the residual certificates, if affected by such an Event of Default.

Responsible Officer of the Trustee means an officer who is employed in the Corporate Trust Department or a similar group for the Trustee with direct responsibility for the administration of this agreement.

S&P : Standard and Poor's Ratings Services, a division of The McGraw- Hill Companies, Inc.

scheduled monthly loan payment : For a mortgage loan (including a REO loan) and a distribution day, the payment of principal and interest due on the first day of the month in which the distribution day occurs in accordance with the amortization schedule applicable to the mortgage loan at that time (including by reason of a loan modification pursuant to section 3.19, and after adjustment for any partial principal prepayments or deficient valuations occurring prior to such first day of the month but before any adjustment to such amortization schedule other than deficient valuations by reason of any bankruptcy, or similar proceeding or any moratorium or similar waiver or grace period).

- *scheduled principal balance* : For one or more mortgage loans on a date, the initial principal balance of the loans, *reduced by* the sum of (a) the aggregate of the principal portion of all scheduled monthly loan payments required to be made on the loans on or before the first day of the month in which the date falls (whether or not received), *provided* that after the bankruptcy coverage termination date, the scheduled principal balance will not be reduced by the principal portion of any debt service reductions, and (b) any principal prepayments on the loans received or posted before the close of business on the last business day of the preceding month, and *increased* by (c) amounts withdrawn from the certificate account pursuant to section 3.8(a)(ii)(C) to reimburse CitiMortgage for capitalized reimbursement amounts.

scheduled principal payments : For one or more mortgage loans for a distribution day, the principal portion of the scheduled monthly loan payments on the loans for the distribution day.

scheduled servicing fee : For any month, a fee equal to

- for each affiliated mortgage loan, the scheduled principal balance of the mortgage loan as of the close of business on the last day of the preceding month, multiplied by the monthly affiliated servicing fee rate, and
- for each third-party mortgage loan, the scheduled principal balance of the mortgage loan as of the close of business on the first day of the month, multiplied by the relevant monthly third-party servicing fee rate.

Securities Act : The Securities Act of 1933.

senior to : A target-rate class is senior to another target-rate class if it is ranked above it in order of seniority.

servicing advances : For a mortgage loan, expenses paid or incurred by or for the account of CitiMortgage or the Trust Fund (including reasonable attorneys' fees) in accordance with the related mortgages for

- real property taxes, including payments to a real estate tax escrow,
- primary mortgage and hazard insurance premiums,
- property repair, replacement protection and preservation expenses and similar expenses,
- managing or liquidating REO property,
- enforcement or judicial proceedings, including foreclosures, and
- if the mortgage loan is in default or, in CitiMortgage's judgment, default is reasonably foreseeable, for effecting a forbearance, a loan modification or other loss mitigation activity permitted under this agreement, including credit counseling fees.

Servicing Officer : Any officer of CitiMortgage, a delegated servicer or a third-party servicer involved in, or responsible for, the administration and servicing of the Trust Fund whose name appears on a list of servicing officers attached to an officer's certificate furnished to the Trustee by CitiMortgage, as such list may from time to time be amended.

single certificate : A single certificate evidences (a) for a residual certificate, 1% percentage interest, (b) for a certificate of an IO class, $1,000 initial notional balance, and (c) for a certificate of any other class, $1,000 initial principal balance.

single-pool series . A series in which the mortgage loans are not divided into two or more pools for purposes of allocations and distributions. Each series is either a single-pool series or a multiple-pool series.

special hazard loss : (i) A liquidated loan loss suffered by a mortgaged property on account of direct physical loss, exclusive of (a) any loss covered by a hazard policy or a flood insurance policy maintained for the mortgaged property pursuant to section 3.11, and (b) any loss caused by or resulting from:

(1) normal wear and tear;

(2) infidelity, conversion or other dishonest act on the part of the Trustee, CitiMortgage or any of their agents, employees or delegees; or

(3) errors in design, faulty workmanship or faulty materials, unless the collapse of the property or a part thereof ensues; or

(ii) a liquidated loan loss suffered by the Trust Fund arising from or related to the presence or suspected presence of hazardous wastes or hazardous substances on a mortgaged property, unless the loss to a mortgaged property is covered by a hazard policy or a flood insurance policy maintained for the mortgaged property pursuant to section 3.11.

special hazard loss limit : If an initial special hazard loss limit is stated in the Series Terms, for a distribution day, the initial special hazard loss limit minus the sum of (i) the aggregate amount of special hazard losses and (ii) the Adjustment Amount (as defined below) as most recently calculated. For each anniversary of the cut-off date, the Adjustment Amount will be the excess of the amount calculated in accordance with the preceding sentence (without giving effect to the deduction of the Adjustment

Amount for such anniversary) over the greater of (A) the product of the special hazard percentage for such anniversary multiplied by the aggregate scheduled principal balance of all the mortgage loans on the distribution day immediately preceding such anniversary and (B) twice the scheduled principal balance of the mortgage loan in the Trust Fund which has the largest scheduled principal balance on the distribution day immediately preceding such anniversary.

special hazard percentage : As of each anniversary of the cut-off date, the greater of (i) 1% and (ii) the largest percentage obtained by dividing the aggregate scheduled principal balances (as of the immediately preceding distribution day) of the mortgage loans secured by mortgaged properties located in a single, five-digit ZIP code area in the State of California by the aggregate scheduled principal balance of all the mortgage loans as of such anniversary.

subordinated losses : Realized losses other than non-subordinated losses.

subordinate to : A target-rate class is subordinate to another target-rate class if it is ranked below it in order of seniority.

subordination depletion date : The first distribution day for which the principal balance of the subordinated classes on the preceding day is zero.

target-rate class percentage : For one or more target-rate classes, the ratio of the classes' principal balance to the principal balance of all target-rate classes, expressed as a percentage.

target-rate loan : For any mortgage loan, a single hypothetical mortgage loan that on the closing date has a pass-through rate equal to the target rate, and

(i) if the mortgage loan on the closing date has a pass-through rate equal to or greater than the target rate, has the same principal balance as the mortgage loan, and

(ii) if the mortgage loan on the closing date is a discount loan, has a principal balance equal to the product of (A) the principal balance of the mortgage loan and (B) the ratio on the closing date of the pass-through rate for the mortgage loan to the target-rate.

target-rate strip : The mortgage loan pool formed of the target-rate loans for all the mortgage loans.

third-party servicing fee : For any month, a fee for each third-party mortgage loan equal to the lesser of (a) the scheduled principal balance of the mortgage loan as of the close of business on the first day of the month, multiplied by the relevant monthly third-party servicing fee rate, and (b) the excess of the interest payment received on the mortgage loan for the month (including interest payments included in liquidation or insurance proceeds) over the amount of the interest payment to be deposited in the certificate account.

third-party servicing fee rate : For a third-party mortgage loan other than a specially serviced mortgage loan, the per annum rate specified as such on schedule B-TP to exhibit B under the heading "Sub Fee," reduced (but not below zero) by any applicable master servicing fee rate, and for a specially serviced mortgage loan, the per annum servicing fee rate for the special servicer provided for in or pursuant to the special servicing agreement. The *monthly* third-party servicing fee rate will be one-twelfth of the relevant third-party servicing fee rate.

Transfer Instrument : A deed transferring an interest in property subject to a mortgage.

Trust Fund : The corpus of the trust created by this agreement, consisting of the mortgage loans, the certificate account, any pooling, lower-tier, or upper-tier REMIC account, REO property and the primary mortgage insurance certificates, any other insurance policies for the mortgage loans, any retail reserve fund and the rights of the Trustee under any reserve fund and any certificate insurance policy.

uncommitted cash : For a distribution day, any cash in the certificate account representing principal prepayments posted or liquidation proceeds deposited on or after the first day of the month immediately preceding such distribution day and all related payments of interest and all payments which represent early receipt of scheduled payments of principal and interest due on a date or dates subsequent to such first day of the month.

unscheduled principal payments : For one or more mortgage loans for a distribution day, the sum of

- all principal prepayments on the mortgage loans received by CitiMortgage or a third-party servicer during the month preceding the distribution day, up to the scheduled principal balance, in each case, of the mortgage loan,
- the greater of (1) aggregate net liquidation proceeds from any of the mortgage loans that became a Liquidated Loan during the month preceding such distribution day, *minus* (a) the portion of such proceeds representing interest, and (b) any unreimbursed advances of principal made by the CitiMortgage, a third-party servicer, or the Paying Agent on such mortgage loans, and (2) the aggregate scheduled principal balances of such mortgage loans for the distribution day, and
- the scheduled principal balance of any of the mortgage loans that was repurchased by CMSI during such month pursuant to section 2.3, "Repurchase or substitution of mortgage loans" below.

U.S. person : A citizen or resident of the United States of America, a corporation or partnership (unless, in the case of a partnership, Treasury regulations are adopted that provide otherwise) created or organized in or under the laws of the United States of America, any state thereof or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one or more such U.S. persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury regulations, certain trusts in existence on August 20, 1996 which are eligible to elect to be treated as U.S. persons).

1.2 Usages

In this agreement and the certificates, unless otherwise stated or the context otherwise clearly requires, the following usages apply:

- "This agreement," "herein," "hereof" and words of similar import when used in this agreement will refer to this agreement.
- In computing periods from a specified date to a later specified date, the words "from" and "commencing on" (and the like) mean "from and including," and the words "to," "until" and "ending on" (and the like) mean "to but excluding."
- An action permitted under this agreement may be taken at any time and from time to time. Except as otherwise indicated, a permitted action may be

taken in the actor's sole discretion. References to a person's taking action include the person's refraining from action. Thus, a statement that a person "may take any action that ... " means that a person may take or refrain from taking any action that ....

- All indications of time of day mean New York City time.
- "Including" means "including, but not limited to." "A or B" means "A or B or both."
- References to an agreement (including this agreement) will refer to the agreement as amended at the relevant time.
- References to numbered sections or paragraphs in this agreement will refer to sections or paragraphs of this agreement, and such section references will include all included sections. For example, a reference to section 6 will be to section 6 of this agreement, and also to sections 4.1, 4.2, *etc* .
- References to an exhibit in this agreement will refer to all included numbered subdivisions of the exhibit. For example, references to exhibit A will also refer to subdivisions A-1, A-2, *etc* .
- References to a statute include all regulations promulgated under or implementing the statute, as in effect at the relevant time. References to a specific provision of a statute includes successor provisions.
- References to any governmental or quasi-governmental agency or authority will include any successor agency or authority.
- Where a decimal appears that has been shortened, it will be rounded according to the usual rules; that is, if the decimal is only shown to x places, the last number (in the xth place) will be raised by one if the following number (in the x+1st place) is 5, 6, 7, 8 or 9.

1.3 Calculations respecting mortgage loans

(a) In connection with all calculations required to be made pursuant to this agreement for remittances on any mortgage loan, any payments on the mortgage loans or any payments on any other assets included in a Trust Fund, the rules set forth in this section 1.2 will be applied.

(b) Calculations for remittances on mortgage loans will be made on a mortgage-loan-by-mortgage-loan basis, based upon current information as to the terms of such mortgage loans and reports of payments received on such mortgage loans supplied to CitiMortgage by the person responsible for the servicing thereof and satisfying such requirement, if any, as may be set forth in section 3.

(c) Each remittance receivable on a mortgage loan will be assumed to be received on the first day of the month.

2 Transfer of mortgage loans and issuance of certificates; repurchase and substitution

2.1 Transfer of mortgage loans

(a) CMSI, as of the closing date, hereby transfers and assigns to the Trustee, without recourse, all of CMSI's right, title and interest in and to

- the mortgage loans, including all remittances received or receivable by CMSI on or with respect to the mortgage loans (other than payments of principal and interest due and payable on the mortgage loans, and principal prepayments thereon received, on or before the cut-off date), and
- the proceeds of any title, primary mortgage, hazard or other insurance policies related to the mortgage loans.

Such transfer and assignment is absolute, is made in exchange for the certificates described in this section 12, and is intended by the parties to be a sale. Nonetheless, to the extent such transfer is held not to be a sale under applicable law, it is intended that this agreement will be a security agreement under applicable law, and CMSI will be deemed to have granted to the Trustee, for the benefit of the certificate holders and any Insurer, a security interest in the Trust Fund, including the mortgage loans, mortgage notes and related documents. CMSI will, at its own expense, take any action reasonably requested by the Trustee to confirm, perfect, and protect the priority of, the security interest granted hereby, including the filing of Uniform Commercial Code financing statements in the appropriate jurisdictions.

CMSI will not transfer any other property to the Trust Fund except as expressly permitted by this agreement.

The Trustee acknowledges receipt of the documents and other property referred to in section 2.1, and declares that the Trustee will hold such documents and other property, including property yet to be received in the Trust Fund, in trust, upon the trusts herein set forth, for the benefit of all present and future certificate holders and any Insurer.

(b) The Trustee and CitiMortgage have entered into a *Mortgage Note Custodial Agreement* substantially in the form of exhibit C with the *Mortgage Note Custodian* named in section 12.1.

The Mortgage Note Custodian may be the Trustee, any affiliate of the Trustee, an affiliate of CMSI, or an independent entity, *except* that if the rating of the Mortgage Note Custodian's long-term senior debt is

- rated below BBB, or is not rated, by Fitch if Fitch is a rating agency,
- rated below A2, or is not rated, by Moody's if Moody's is a rating agency, or
- rated below A+, or is not rated, by S&P if S&P is a rating agency,

then the Trustee shall, reasonably promptly after being notified by CitiMortgage, CMSI or a rating agency that the Mortgage Note Custodian no longer has the required ratings, remove the Mortgage Note Custodian and appoint a successor Mortgage Note Custodian, as described in the following paragraph.

The Trustee may at any time remove the initial or any successor Mortgage Note Custodian, and enter into a Mortgage Note Custodial Agreement substantially in the form of exhibit C with a successor Mortgage Note Custodian. The Mortgage Note Custodial Agreement may provide that the successor Mortgage Note Custodian will conduct the review of each mortgage note required under section 2.1(f), *except* that if the successor Mortgage Note Custodian is CMSI or an affiliate of CMSI, the Trustee may conduct the review.

(c) For each mortgage loan (other than a mortgage loan secured by shares in a cooperative housing corporation), CMSI will on or before the closing date deliver

- to the Mortgage Note Custodian the mortgage note, endorsed by manual or facsimile signature without recourse by the Originator or an affiliate of the Originator in blank or to the Trustee showing a complete chain of endorsements from the named payee to the Trustee or from the named payee to the affiliate of the Originator and from such affiliate to the Trustee, except that endorsement is not required where Mortgage Electronic Registration Systems, Inc. (*MERS*) is the named payee or the nominee of the named payee, and

- to CitiMortgage the following documents or instruments (except to the extent CMSI is complying with section 2.1(h)):

(i) The original recorded mortgage, with evidence of recording thereon or a copy of the mortgage certified by the public recording office in those jurisdictions where the public recording office retains the original.

(ii) Any original assumption, modification, buydown or conversion-to-fixed-interest-rate agreement applicable to the mortgage.

(iii) An assignment from the Originator or an affiliate of the Originator to the Trustee in recordable form of the mortgage which may be included, where permitted by local law, in a blanket assignment or assignments of the mortgage to the Trustee, including any intervening assignments and showing a complete chain of title from the original mortgagee named under the mortgage to the Originator or such affiliate and to the Trustee, *except* that (x) a blanket assignment need not be in recordable form but will be delivered with a limited power of attorney authorizing the Custodian, on behalf of the Trustee, to act for the Originator or such affiliate in preparing, executing, delivering and recording in the Trustee's name any instruments for recording assignments of the related mortgages to the Trustee, (y) if the mortgage is registered with MERS, only assignments from the origination of the mortgage to its assignment to MERS will be required, and (z) if the mortgage was originated with MERS as the original mortgagee (a "MOM loan"), no interim assignment will be required.

(iv) The original or a copy of the title insurance policy (which may be a certificate or a short form policy relating to a master policy of title insurance) pertaining to the mortgaged property, or in the event such original title policy is unavailable, a copy of the preliminary title report and the lender's recording instructions, with the original to be delivered within 180 days of the closing date or other evidence of title.

(v) Any related primary mortgage insurance certificate and related policy or a copy thereof.

(d) For each mortgage loan secured by shares in a cooperative housing corporation (except to the extent CMSI is complying with section 2.1 (h)), CMSI will on or before the closing date deliver

- to the Mortgage Note Custodian the mortgage note, endorsed by manual or facsimile signature without recourse by the Originator or an affiliate of the Originator in blank or to the Trustee showing a complete chain of endorsements and assignments from the named payee to the Trustee or from the named payee to the affiliate of the Originator and from such affiliate to the Trustee, and
- to CitiMortgage the following documents or instruments (except to the extent CMSI is complying with section 2.1(h)):

(i) Any original assumption, modification, buydown or conversion-to-fixed-interest-rate agreement applicable to the mortgage.

(ii) The original stocks, shares, membership certificate or other contractual agreement evidencing ownership.

(iii) The original stock power executed in blank.

(iv) The original executed security agreement or similar document and all assignments thereof showing a complete chain of assignment from the named secured party to the Trustee.

(v) The original executed proprietary lease or occupancy agreement and all assignments thereof showing a complete chain of assignment from the named secured party to the Trustee.

(vi) The original executed recognition agreement and any executed assignments of recognition agreement showing a complete chain of assignment from the named secured party to the Trustee.

(vii) (Except for mortgage loans secured by mortgaged properties in the State of New Jersey, or originated prior to October 1988 and secured by mortgaged properties in the State of New York) the executed UCC-1 financing statement with evidence of recording thereon and executed original UCC-3 financing statements or other appropriate UCC financing statements required by state law, evidencing a complete and unbroken chain from the mortgagee to the Trustee with evidence of recording thereon (or in a form suitable for recordation).

(viii) Any related primary mortgage insurance certificate and related policy.

(e) The Mortgage Note Custodian will hold the mortgage notes, and CitiMortgage will hold the other mortgage documents, in trust for the Trustee and the benefit of the Trustee, any Insurer and all present and future certificate holders.

For purposes of this section 2.1, a document (other than a promissory note or document described in the following sentence) will be deemed "delivered" to a person if the person has received, or been granted unrestricted access to, an image of the document that is inscribed in a tangible medium or is stored in an electronic or other medium and is retrievable in perceivable form. A letter of credit, investment security or similar instrument that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment may only be delivered in electronic form if

- the document is a security certificate, and applicable state law provides that a security interest may only be perfected by filing of a financing statement, or
- all applicable steps have been taken in accordance with CitiMortgage's underwriting policies to confirm in the Trustee a first priority perfected security interest in the document or the rights represented by the document.

(f) Pursuant to the Mortgage Note Custodial Agreement, the Mortgage Note Custodian will review each mortgage note within 90 days after the closing date to ascertain that it has been executed and received, and that such note relates to the mortgage loans identified in exhibit B.

(g) On or before the closing date, CMSI will deposit in the certificate account

- all payments on the mortgage loans that CMSI receives after the cut-off date and before the closing date, to the extent such payments are being transferred and assigned to the Trustee under this agreement, except any portion of such payments on mortgage loans (including servicing fees) of a type not required to be deposited therein as specified in section 6 or the Series Terms, and
- any amount required to be so deposited under the Series Terms.

(h) If CMSI is required under this section 2.1 to deliver an original recorded mortgage or a completed assignment in recordable form to CitiMortgage by the closing date, but cannot do so because of a delay in recording the mortgage, CMSI may instead

- deliver a copy of the mortgage, provided that CMSI certifies that the original mortgage has been delivered to a title insurance company for recordation after receipt of its policy of title insurance or binder therefor (which may be a certificate relating to a master policy of title insurance), and

- an assignment to the Trustee completed except for recording information.

In all such instances, CMSI will deliver the original recorded mortgage and completed assignment (if applicable) to CitiMortgage promptly upon receipt of such mortgage.

If an original recorded mortgage has been lost or misplaced, CMSI or the related title insurance company may deliver, in lieu of the mortgage, a copy of the mortgage bearing recordation information and certified as true and correct by the office in which the original mortgage was recorded.

If CMSI cannot deliver the original or a copy of a title insurance policy (which may be a certificate relating to a master policy of title insurance) for a mortgaged property to CitiMortgage by the closing date because the policy is not yet available, CMSI may instead deliver a binder for the policy, and deliver the original or a copy of the policy to the Trustee when available.

If CMSI cannot deliver an original assumption, modification, buydown or conversion-to-fixed-interest-rate agreement to CitiMortgage by the closing date, CMSI may instead deliver a certified copy thereof. CMSI will deliver the original assumption, modification, buydown or conversion-to-fixed-interest-rate agreement to the Trustee promptly upon receipt thereof.

CMSI will, at its own expense, prepare and deliver to CitiMortgage each assignment referred to in this section 2.1(h) as soon as practicable but not later than 60 days after the date of initial issuance of the certificates. For each mortgage relating to a mortgaged property located in a state for which the rating agencies require recordation of such assignments (as will be specified in the Series Terms or a CMSI officer's certificate), CMSI intends to record the assignment in the appropriate public office for real property records (or supply CitiMortgage with evidence of recordation) as soon as practicable after the initial issuance of the certificates. Except as provided in this section, neither CMSI nor any Originator or affiliate of any Originator will have any obligation to record any assignment of any mortgage in order to name the Trustee as mortgagee of record. The preceding sentence will not be in derogation of the obligation of CMSI, the Originators and affiliates of the Originators to record (and supply CitiMortgage with evidence thereof) assignments of mortgages required in order that CMSI, an Originator or an affiliate of an Originator be shown as mortgagee of record of each mortgage.

CMSI will, at its own expense, file any UCC-3 financing statements not previously filed, and will supply CitiMortgage with evidence of the filing. CMSI intends to file in the appropriate public office as soon as practicable after the initial issuance of the certificates.

For mortgage loans that have been prepaid in full after the cut-off date and prior to the closing date, CMSI, in lieu of delivering documents to the Mortgage Note Custodian and CitiMortgage, will on the closing date deliver a certification of a Servicing Officer as set forth in section 3.13.

(i) Concurrently with the transfer and assignment to the Trustee of the mortgage loans, the Trustee or the Authenticating Agent will, in accordance with a written order or request signed in CMSI's name by an Authorized Officer, authenticate and deliver to or upon CMSI's order, duly authenticated certificates in authorized denominations evidencing the entire ownership of the Trust Fund. The Trustee acknowledges that to the extent it holds any class P or class L regular interests, it holds such regular interests as assets of the lower-tier or upper-tier REMIC, as described in the Series Terms.

2.2 CMSI's representations and warranties

CMSI represents and warrants to the Trustee and any Insurer that as of the closing date:

(i) The information in exhibit B was true and correct in all material respects as of the dates respecting which such information is furnished, and the information provided to the rating agencies, including the loan-level detail, is true and correct according to rating agency requirements.

(ii) As of the closing date, each mortgage will be a valid first lien on the property securing the related mortgage note subject only to

- the lien of current real property taxes and assessments as limited in clause (vi) below,
- covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of the mortgage, which exceptions appearing of record are acceptable to mortgage lending institutions generally or specifically reflected in the appraisal obtained in connection with the origination of the related mortgage loan,
- other matters to which like properties are commonly subject that do not in the aggregate materially interfere with the benefits of the security intended to be provided by the mortgage, and
- for a mortgage on a cooperative apartment in a cooperative housing corporation, the right of the related cooperative to cancel the related shares and terminate the proprietary lease for unpaid assessments (general and special) owed by the mortgagor;

(iii) Immediately before the transfer and assignment of the mortgage loans to the Trustee, CMSI has good title to, and is the sole legal owner of, each mortgage loan (except as set forth in clause (v) below) and immediately upon the transfer and assignment, CMSI will have taken all steps necessary so that the Trustee will have good title to, and will be the sole legal owner of, each mortgage loan (except as set forth in clause (v) below);

(iv) As of the cut-off date, no payment of principal of or interest on any mortgage loan was 30 days or more past due (a mortgage loan being considered 30 days past due in a given month when payment due on the first day of the prior month has not been made on or before the last day of such prior month) or has been 30 days or more past due more than once for the twelve months preceding the cut-off date;

(v) As of the closing date, there is no mechanics' lien or claim for work, labor or material affecting the mortgaged property that is or may be a lien prior to, or equal with, the lien of the mortgage except those that are insured against by the title insurance policy referred to in (x) below;

(vi) As of the closing date, there is no delinquent tax or assessment lien against any mortgaged property;

(vii) As of the closing date, there is no valid offset, defense or counterclaim to any mortgage note or mortgage, including the obligation of the mortgagor to pay the unpaid principal and interest on the mortgage note;

(viii) As of the closing date, each mortgaged property is free of material damage and is in good repair;

(ix) Each mortgage at the time it was originated complied in all material respects with applicable state, local and federal laws, including, without limitation, all applicable usury, equal credit opportunity, recording, disclosure and predatory lending laws. No mortgage loan is

- a high cost loan under the predatory lending law of any jurisdiction in which a mortgaged property is located,
- a "High Cost Loan" or "Covered Loan," as such terms are defined in the current version of Standard & Poor's LEVELS® Glossary, (Version 6.0 Revised, Appendix E),
- a "High-Cost Home Loan," as defined in either the Indiana High Cost Home Loan Law, effective January 1, 2005, the New Jersey Home Ownership Security Act of 2002, effective November 27, 2003, or the New Mexico Home Loan Protection Act, effective January 1, 2004, or
- a "high cost home mortgage loan," as defined in the Massachusetts Predatory Home Loan Practices Act, effective November 9, 2004,

and no mortgage loan originated on or after October 1, 2002 through March 6, 2003 is governed by the Georgia Fair Lending Act;

(x) A lender's title insurance policy or binder approved as such by Fannie Mae or Freddie Mac, or other assurance of title customary in the relevant jurisdiction, was issued on the date of the origination of each mortgage loan (other than a mortgage loan for a cooperative apartment), and, as of the closing date, each such policy, binder or assurance is valid and in full force and effect;

(xi) The mortgage loans conform in all material respects with their descriptions in the prospectus relating to the certificates;

(xii) Each mortgage loan with an original principal balance exceeding 80% (or, for certain mortgage loans originated before 1995, 90%) of its original value is covered by primary mortgage insurance at least until its outstanding principal balance is less than or equal to 80% of the original value, either through principal payments by the mortgagor or as determined by a new appraisal delivered subsequent to origination. So long as it is in effect, the primary mortgage insurance covers losses from defaults in an amount equal to the excess, of the outstanding principal balance of the mortgage loan over 75% of the original value of the mortgage loan;

(xiii) The original principal balance of each mortgage loan was not more than 95% of the original value of the mortgage loan;

(xiv) For each buydown mortgage loan, the buydown funds deposited in the buydown account, if any, will be sufficient, after crediting interest at the rate per annum, if any, specified in the buydown agreement compounded monthly to the buydown account and adding the amounts required to be paid by the mortgagor, to make the scheduled payments stated in the mortgage note for the term of the buydown subsidy agreement;

(xv) Each mortgage loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Internal Revenue Code.

(xvi) For each mortgaged property at the time the mortgage loan was originated, no improvement located on or part of the mortgaged property violated any applicable zoning or subdivision laws or ordinances .

(xvii) For each mortgaged property, the terms of the mortgage note and the mortgage loan have not been impaired, altered or modified in any material respect, except by a written instrument which has been recorded or is in the process of being recorded.

(xviii) For each mortgaged property, no default or waiver exists under the mortgage documents, and no modifications to the mortgage documents have been made, that have not been disclosed.

(xix) If a mortgaged property is in a Federal Emergency Management Agency designated flood area, a flood insurance policy is in effect covering the mortgaged property.

(xx) For each mortgaged property as of the closing date, a hazard insurance policy is in place.

The representations and warranties in this section 2.2 will survive delivery of the mortgage files to the Trustee.

2.3 Repurchase or substitution of mortgage loans

(a) Each of CMSI, CitiMortgage and the Trustee will promptly notify the other parties if it discovers a breach of any of the representations and warranties in section 2.2 that materially and adversely affects the interests of the certificate holders or any Insurer in a mortgage loan (including a mortgage loan substituted for a nonconforming mortgage loan pursuant to section 2.4) (a *material breach*).

(b) If CMSI is notified of a material breach, CMSI will have 60 days after the notice (or a longer period approved in advance in writing by a Responsible Officer of the Trustee) to cure the breach in all material respects, or to repurchase the mortgage loan or substitute eligible substitute mortgage loans, as provided in this section 2.3.

Except as expressly provided in this agreement, neither the Mortgage Note Custodian nor CitiMortgage is required to inspect or review any document in a mortgage file. However, if the Mortgage Note Custodian finds that a mortgage note is missing or materially defective, the Mortgage Note Custodian will promptly notify CitiMortgage and CMSI by e-mail. CMSI will then have 180 days after the notice to cure the breach in all material respects, or to repurchase the mortgage loan or substitute eligible substitute mortgage loans, as provided in this section 2.3, except that CMSI will only have 90 days after the notice to cure, cure, repurchase, or substitute if the defect causes the mortgage loan to fail to be a "qualified mortgage" under Internal Revenue Code section 860G(a)(3).

(c) Any repurchase by CMSI of a mortgage loan will be at a price equal to

(i) 100% of the scheduled principal balance of the mortgage loan on the date of repurchase, plus

(ii) accrued and unpaid interest thereon at the pass-through rate to the first day of the following month, plus

(iii) any costs and damages incurred by the Trust Fund in connection with any violation by such mortgage loan of any predatory lending law, plus

(iv) aggregate outstanding advances for the mortgage loan, to the extent not recovered in (ii) above.

(d) CMSI will pay the repurchase price to CitiMortgage, which will promptly deposit the repurchase price in the certificate account. A repurchase of a mortgage loan under this section 2.3 will be considered a prepayment in full of the mortgage loan on the date of repurchase. Upon the Trustee's receipt of written notice of the deposit signed by an

Authorized Officer of CitiMortgage, the Trustee will direct the Mortgage Note Custodian and CitiMortgage to release the related mortgage file to CMSI and will execute and deliver such instruments of transfer or assignment furnished to the Trustee, in each case without recourse, as CMSI reasonably requests, to vest the mortgage loan in CMSI. Repurchase of the mortgage loan by CMSI will be deemed to include the right to receive any remittance on the mortgage loan payable or received on or after the date of repurchase, and CitiMortgage will, upon receipt, promptly pay CMSI the amount of any such remittance.

(e) CMSI may, instead of repurchasing a mortgage loan pursuant to this section 2.3, substitute one or more eligible substitute mortgage loans (as defined below) for one or more nonconforming mortgage loans. Such a substitution will take place on a business day designated by CMSI (the *substitution day*) occurring before the second anniversary of the startup day, subject to satisfaction of the conditions in section 2.1 and the following conditions:

(i) no Event of Default is continuing; and

(ii) the aggregate scheduled principal balance of all eligible substitute mortgage loans substituted on the substitution day (determined for each eligible substitute mortgage loan as of the substitution day) does not exceed 40% of the aggregate scheduled principal balance of all mortgage loans as of the closing date;

(f) An *eligible substitute mortgage loan* : is a mortgage loan

- for which all payments of principal and interest due on or before the substitution day have been received,
- that has a mortgage note rate equal to or greater than the highest mortgage note rate of any mortgage loan for which it is being substituted,
- that matures no later than, and no more than one year before, any mortgage loan for which it is being substituted,
- that has an original term to maturity equal to each mortgage loan for which it is being substituted, and
- that has a scheduled principal balance that, together with any other eligible substitute mortgage loans being substituted on that substitution day, and any funds CMSI deposits in the certificate account relating to the substitution (the *substitution adjustment amount*) equals or exceeds the mortgage loans for which they are being substituted.

The substitution adjustment amount will be separately accounted for as a reserve fund in the certificate account and will be remitted to certificate holders in the month following receipt when the repurchase proceeds are remitted to compensate for the resulting shortfall incurred in connection with the substitution of mortgage loans.

(g) If, on the substitution day, any installment of principal and interest has been received in the certificate account where the principal portion has not been applied to reduce the scheduled principal balance of the mortgage loan that is being substituted for, because the installment was received before the first day of the applicable month, the full amount of such prepaid installment will be paid on the substitution day to CMSI from the certificate account.

(h) Upon a substitution of mortgage loans pursuant to this section 2.3,

- exhibit B to this agreement will be deemed to be amended to exclude all mortgage loans being replaced by such eligible substitute mortgage loans and to include, pursuant to section 10.1, the information in the supplemental mortgage loan schedule regarding the eligible substitute mortgage loans, and all references in this agreement to mortgage loans will include such eligible substitute mortgage loans,

- CMSI will be deemed to represent and warrant, as of the substitution day, that the representations and warranties in section 2.2 are true of the eligible substitute mortgage loans, and
- the Trustee will release to CMSI the nonconforming mortgage loans and execute and deliver any instruments of transfer or assignment required to transfer, without recourse, the nonconforming mortgage loans to CMSI.

(i) CMSI's obligation under this section 2.3 to repurchase or substitute mortgage loans will be the sole remedy against CMSI available to the certificate holders or the Trustee on behalf of the certificate holders for a material defect in a mortgage document or a breach of a representation and warranty in section 2.2.

3 Servicing

3.1 CitiMortgage as servicer and master servicer

(a) *Affiliated mortgage loans* . CitiMortgage will service those mortgage loans listed in exhibit B, other than any mortgage loans listed on schedule B-TP (the *affiliated mortgage loans*).

(b) *Third-party mortgage loans* . The mortgage loans listed in schedule B-TP to exhibit B (*third-party mortgage loans*) will be serviced by a *third-party servicer* pursuant to this agreement, a *third-party servicing agreement* between CitiMortgage and the third-party servicer, and the Guide. CitiMortgage will be the *master servicer* for each third-party mortgage loan. Each third-party servicing agreement will be consistent with this agreement and, except for special servicing agreements, will be effective as of the closing date.

(c) *Special servicing* . CitiMortgage may enter into a *special servicing agreement* with an unaffiliated person (the *class B holder*). At any time that the class B holder holds 100% of the beneficial interest in the most subordinated class of certificates, the class B holder may designate a *special servicer* to service certain mortgage loans in default and REO property (*specially serviced mortgage loans*). Any special servicing agreement will be subject to each rating agency's acknowledgement that the ratings of each class of certificates in effect immediately prior to CitiMortgage's entering into the special servicing agreement will not be qualified, downgraded or withdrawn, and that no class of certificates will be placed on credit review status (except for possible upgrading) as a result of the agreement.

CitiMortgage will be the master servicer and the special servicer will be a third-party servicer for the specially serviced mortgage loans. Except as otherwise stated or as the context clearly requires, references in this agreement to third-party mortgage loans will include specially serviced mortgage loans, and references to third-party servicing agreements will include special servicing agreements.

(d) *Third-party servicing* . With CitiMortgage's approval, a third-party servicer may delegate its servicing obligations, but the third-party servicer will remain obligated under its third-party servicing agreement. CitiMortgage and any third-party servicer may amend the third-party servicing agreement, consistent with this agreement.

CitiMortgage will enforce each third-party servicer's obligations under its third-party servicing agreement, including any obligation to make advances for delinquent payments or to purchase a mortgage loan on account of defective documentation or a breach of a representation or warranty. Such enforcement, including the legal prosecution of claims, termination of third-party servicing agreements, and the pursuit of other appropriate remedies, will as to form, extent and timing be conducted as CitiMortgage, in its good faith business judgment, would require if it were the owner of the mortgage loans. CitiMortgage will pay the costs of enforcement at its own expense, but will be reimbursed only from

- a general recovery resulting from the enforcement only to the extent that the recovery exceeds all amounts due on the mortgage loans, or
- a specific recovery of costs, expenses or attorneys fees against the party against whom the enforcement is directed.

(e) *Servicing generally*. In connection with its servicing and master servicing, CitiMortgage

- may, acting alone or through third-party servicers, take any action it deems necessary or desirable.
- may execute and deliver on behalf of itself, the certificate holders or the Trustee any instruments of satisfaction or cancellation, or of partial or full release or discharge and all other comparable instruments, for the mortgage loans and the related mortgaged properties.
- will service and master service the mortgage loans in the best interests of, and for the benefit of, the certificate holders and any Insurer.
- will service the affiliated mortgage loans in accordance with its normal servicing procedures for mortgage loans held in its own portfolio.
- will master service the third-party mortgage loans, in accordance with prudent mortgage loan servicing standards and procedures accepted in the mortgage banking industry and in accordance with the Guide.
- will promptly notify the Trustee of any circumstance that might adversely affect CitiMortgage's ability to service or master service any mortgage loan or to otherwise perform its obligations under this agreement.
- will maintain accurate books and records, and an adequate system of audit and internal controls, that will permit the Trustee, or its duly authorized representatives and designees, to examine and audit and make legible reproductions of records during reasonable business hours. All such records will be maintained for the period required by the Guide or any longer period required by law.

The Trustee will furnish CitiMortgage with any powers of attorney and other documents reasonably necessary or appropriate, and will take any other actions that CitiMortgage reasonably requests, to enable CitiMortgage to carry out its servicing duties.

3.2 Collections

CitiMortgage and each third-party servicer will, to the extent consistent with this agreement,

- follow such normal collection procedures as it deems necessary and advisable, and
- make reasonable efforts to collect all amounts payable on the mortgage loans it services.

Consistent with the foregoing, CitiMortgage may

- waive any late payment charge, prepayment charge or penalty interest in connection with the prepayment of a mortgage loan or any assumption fees or other fees collected in the ordinary course of servicing the mortgage loan, and

- arrange with a mortgagor a schedule for the payment of principal and interest due and unpaid after the applicable first day of the month if CitiMortgage reasonably believes that without the arrangement the mortgagor would default on the mortgage loan. Regardless of whether such an arrangement is made, the mortgage loan will be considered delinquent for all purposes of this agreement.

CitiMortgage need not institute litigation to collect any payment if it reasonably believes that the cost of litigation is likely to outweigh its economic benefit.

3.3 Certificate and other accounts

(a) *Certificate account* . On or before the closing date, CitiMortgage will open with Depositories or the Paying Agent one or more certificate accounts (collectively, the *certificate account*). The certificate account will include any alternative certificate account. The certificate account will be a non-interest bearing account unless the Series Terms state that the certificate account is an investment account.

CitiMortgage will not commingle funds and other property in the certificate account with any other funds or property of CitiMortgage or the Trustee. However, in order to efficiently transfer funds in the certificate account to a distribution account, CitiMortgage may, on the business day preceding the date funds are to be transferred from the certificate account to the distribution account, transfer those funds to a commingled clearance account, *provided* , that if Fitch has rated the certificates, CitiMortgage may not so commingle funds unless CitiMortgage's short-term rating, or the short-term rating of any person to whom CitiMortgage has delegated servicing under this agreement, by Fitch is at least "F1." The clearance account will be under CitiMortgage's sole control, and CitiMortgage will maintain adequate records indicating the ownership of the funds in the clearance account.

CitiMortgage, on behalf of the Trustee, will deposit in the certificate account, within one business day following receipt and posting, the following amounts received by it on the affiliated mortgage loans (*remittances* on the affiliated mortgage loans):

- all principal payments and prepayments (other than payments due, and principal prepayments received, on or before the cut-off date);
- all interest payments (other than payments due on or before the cut-off date), net of any servicing fee retained by CitiMortgage pursuant to section 3.8(b);
- any buydown funds required to be deposited pursuant to section 3.16;
- all net liquidation proceeds, other than proceeds to be applied to the restoration or repair of the related mortgaged property or released to the related mortgagor in accordance with normal servicing procedures;
- proceeds from the repurchase of a mortgage loan, and the substitution adjustment amount in connection with an eligible substitute mortgage loan;
- all hazard insurance proceeds;
- any advance account advance;
- any loss recoveries; and
- the amount CitiMortgage is required to pay into the certificate account pursuant to section 3.4, "Prepayment interest shortfalls."

If CitiMortgage must repay any amount deposited in the certificate account, by reason of the reversal of a provisional credit owing to the dishonor of a mortgagor's check or otherwise, CitiMortgage will promptly

- withhold a corresponding amount from a subsequent deposit into the certificate account, and
- restate its accounts appropriately.

CitiMortgage need not deposit in the certificate account

- amounts required to be deposited into the servicing account,
- collected servicing fees, except as required by section 3.4, "Prepayment interest shortfalls,"
- collected prepayment charges, late payment charges, assumption fees and other similar charges, which CitiMortgage may retain as additional servicing compensation, and
- reimbursements of servicing advances,

received on affiliated mortgage loans.

(b) *Servicing accounts* . CitiMortgage will establish and maintain *servicing accounts* with Depositories, and will deposit therein all collections of taxes, assessments, primary mortgage or hazard insurance premiums or comparable items for the account of the mortgagors. CitiMortgage may withdraw funds from the servicing account, but only

- to effect payment of taxes, assessments, primary mortgage or hazard insurance premiums or comparable items,
- to reimburse the relevant servicer for costs incurred in effecting the timely payment of taxes and assessments on a mortgaged property, for servicing account advances, and for payments made pursuant to section 3.1 regarding timely payment of taxes and assessments, section 3.10 regarding premiums on primary mortgage insurance policies, and section 3.11 regarding premiums on standard hazard insurance policies, or
- to refund to a mortgagor any amounts determined to be overages, or to pay interest owed to mortgagors on such account to the extent required by law, or to clear and terminate such accounts at the termination of this agreement in accordance with section 9.1.

The servicing account may commingle collections from other series that have the same Trustee. The servicing account will be a non-interest bearing account unless the Series Terms state that the servicing account is an investment account.

Any costs incurred by the relevant servicer in effecting the timely payment of taxes and assessments on a mortgaged property will not, for the purpose of calculating monthly distributions to certificate holders, be added to the amount owing under the related mortgage loan, even if the terms of the mortgage loan so permit.

(c) *Third-party accounts* . CitiMortgage will establish and maintain with Depositories segregated *custodial accounts for P&I* and segregated *escrow accounts* in accordance with the requirements of the Guide. Each third-party servicer will deposit in such accounts, within two business days of receipt and posting, the amounts related to the third-party mortgage loans required by the third-party servicing agreements to be so deposited. Amounts in a custodial account for P&I will be fully insured by the FDIC or the National Credit Union Share Insurance Fund. To the extent amounts in a custodial account for P&I are not fully insured, the excess will either, at CitiMortgage's option,

- be promptly remitted to the certificate account or a custodial investment account, or
- be secured by one or more Eligible Investments maturing not later than the determination date, provided that the Trustee has received an opinion of counsel acceptable to the Trustee to the

effect that CitiMortgage has either a claim to the funds held by the institution or a perfected first security interest against such Eligible Investments superior to the claims of any other depositor or general creditor of such institution.

Proceeds received on individual third-party mortgage loans from a title, hazard or other insurance policy covering the mortgage loan, other than a primary mortgage insurance policy, will be deposited first in the applicable escrow account if required for the restoration or repair of the related mortgaged property. Proceeds from such insurance policies not so deposited in the applicable escrow account and proceeds from primary mortgage insurance policies will be deposited in the custodial account for P&I and will be applied to the balances of the related third-party mortgage loans as payments of interest and principal.

Third-party servicers may withdraw funds from custodial accounts for P&I as permitted by this agreement and in accordance with the Guide. The Trustee will have no responsibility for monitoring such withdrawals.

CitiMortgage will maintain separate accounting on a mortgage loan-by-mortgage loan basis for any remittances to or payments from the custodial accounts for P&I.

(d) *Transfers from third-party accounts to certificate account* . On each determination date, each third-party servicer will withdraw from its custodial accounts for P&I and deposit into the certificate account the following amounts (*remittances* on third-party loans):

- scheduled installments of principal and interest on the third-party mortgage loans received by the third-party servicers that were due on the first day of that month, net of third-party servicing fees due third-party servicers;
- principal prepayments and insurance proceeds, net of third-party servicing fees due third-party servicers, received in the preceding month;
- liquidation proceeds on a third-party mortgage loan.

(e) *Accounts generally* . The certificate account, the servicing account, each custodial account for P&I, the escrow account and the distribution account will each bear a designation clearly indicating that the funds in the account are held for the benefit of the Trustee or the certificate holders. CitiMortgage, each third-party servicer, and the Paying Agent will hold all money and property received by it as part of the Trust Fund and will apply it as provided in this agreement, *except* that amounts from buydown funds required to be deposited pursuant to section 3.16 will be held by CitiMortgage in the buydown account on behalf of the mortgagors, subject to withdrawal by CitiMortgage for the purposes set forth in sections 3.6(b) and (c).

The certificate account, the servicing account, each custodial account for P&I, the escrow account and the distribution account will each at all times be maintained at a bank that is rated a minimum of A-2 (or BBB+ or above if it has not short-term rating) by S&P. If such an account is held at a bank that fails to maintain such a rating, CitiMortgage will move the account within 30 days to a bank that does have such a rating.

3.4 Prepayment interest shortfalls

(a) *Affiliated mortgage loans* . CitiMortgage will deposit in the certificate account on the business day preceding each distribution day the aggregate prepayment interest shortfall on the affiliated mortgage loans for the preceding month *provided* that such deposit need not exceed the lesser of

- the aggregate amount of the collected servicing fees on the affiliated mortgage loans for the month preceding such distribution day and
- one-half the scheduled servicing fee on the affiliated mortgage loans for that month.

Such deposit will not be considered to be a voluntary advance by CitiMortgage, and will not be reimbursable to CitiMortgage from the certificate account or otherwise.

(b) *Third-party mortgage loans* . Each third-party servicer will transfer to the certificate account on each determination date the aggregate amount required under the Guide to be paid by third-party servicers in respect of prepayment interest shortfalls on third-party mortgage loans for the preceding month.

(c) Each third-party servicer will deposit in the certificate account on the business day preceding each distribution day the aggregate prepayment interest shortfall on its third-party mortgage loans for the preceding month, *provided* that the aggregate of such deposits for all third-party loans for any distribution day will be reduced by any amounts paid by the third-party servicer under the preceding paragraph (b) on the preceding determination date.

3.5 Advances

(a) *Servicing account advances* . CitiMortgage will deposit in the servicing account the payment of property taxes, primary mortgage and hazard insurance premiums, and other similar payments that are not timely paid by the mortgagors or advanced by the third-party servicers on the date when the tax, premium or other cost for which the payment is intended is due.

(b) *Remittance delinquencies.* For each distribution day, a *remittance delinquency* :

- on an affiliated loan is the originally scheduled interest at the pass-through rate, and principal installment (as adjusted for any principal prepayments), on the mortgage loan due from the mortgagor on (but not before) the first day of the month but not received in the certificate account by close of business on the third business day before the distribution day.
- on a third-party loan is the originally scheduled interest at the pass-through rate, and principal installment (as adjusted for any principal prepayments), on the mortgage loan due from the mortgagor on (but not before) the first day of the month but not received in the certificate account by close of business on the determination date for the distribution day.
- on a buydown mortgage loan is the accrued and unpaid interest at the related pass-through rate, and the principal installment (as adjusted for any principal prepayments) on the mortgage loan due from the related buydown account on (but not before) the first day of the month but not received in the certificate account by close of business on (a) the third business day before the distribution day (for a buydown mortgage loan that is an affiliated loan) or (b) the determination date (for a buydown mortgage loan that is a third-party mortgage loan).

A remittance delinquency does not include

- a reduction in principal or interest payments received from a mortgagor due to a mortgage loan modification pursuant to section 3.19, or
- an apparent remittance delinquency that is determined by CitiMortgage to be the result of the occurrence of an extraordinary event (but not including a

remittance delinquency determined to be eligible for an advance pursuant to this section 3.5).

(c) *Advances by third-party servicers* . To the extent required by its third-party servicing agreement, each third-party servicer will transfer to the certificate account, on the determination date, any amount required to be advanced under its third-party servicing agreement (a *third-party servicer advance*).

(d) *Uncommitted cash advances* . On the business day before each distribution day, CitiMortgage will transfer from the certificate account to the distribution account

- uncommitted cash related to affiliated mortgage loans in an amount not greater than the remittance delinquencies on the affiliated mortgage loans for that distribution day, and
- uncommitted cash relating to third-party mortgage loans in an amount not greater than the remittance delinquencies on the third-party mortgage loans for that distribution day.

(e) *Voluntary advances by CitiMortgage* . On the business day before each distribution day, CitiMortgage will deposit in the certificate account a *voluntary advance* equal to

- the sum of (i) remittance delinquencies on the mortgage loans for that distribution day, (ii) scheduled interest not required to be paid by the mortgagors on the first day of the month because of the limitations on mortgage interest payments under the federal Servicemembers Civil Relief Act or any comparable state laws, in each case after adjustment of delinquent or non-required interest payments to interest at the pass-through rate, and (iii) the amount of any uncommitted cash transferred to the distribution account for the preceding distribution day, *minus*
- the sum of (i) uncommitted cash transferred to the distribution account on the same day pursuant to paragraph (d) above, and (ii) any third-party servicer advances for that distribution day.

(f) *Paying agent advances* . Before noon on each distribution day, the Paying Agent will deposit into the distribution account an *affiliated Paying Agent advance* equal to

- the sum of (i) all remittance delinquencies on the affiliated mortgage loans for that distribution day, and (ii) the amount of all uncommitted cash advances related to the affiliated mortgage loans transferred to the distribution account for the preceding distribution day, *minus*
- the sum of (i) any uncommitted cash advance related to the affiliated mortgage loans for that distribution day and (ii) any voluntary advance by CitiMortgage related to the affiliated loans for that distribution day, other than an advance of interest not required to be paid because of the limitations on mortgage interest payments under the federal Servicemembers Civil Relief Act or any comparable state laws (*Relieved interest*).

Before noon on each distribution day, the Paying Agent will deposit into the distribution account a *third-party Paying Agent advance* equal to

- the sum of (i) all remittance delinquencies on the third-party mortgage loans for that distribution day, and (ii) the amount of uncommitted cash advances related to the third-party mortgage loans transferred to the distribution account for the preceding distribution day, *minus*
- the sum of (i) any uncommitted cash advances related to third-party mortgage loans for that distribution day, and (ii) any third-party servicer advance,

other than an advance of Relieved interest, for that distribution day.

CitiMortgage will on the business day it receives notice from the Paying Agent of the amount of any affiliated or third-party Paying Agent advance,

- pay the Paying Agent a servicing administration fee of $100 for each distribution day on which the Paying Agent makes such an advance, and
- reimburse the Paying Agent for the amount of the advance,

provided that if the notice is received after 1PM on a business day, the administration fee and reimbursement will be made to the Paying Agent by 1PM on the following business day.

Promptly after the Trust Fund is terminated pursuant to section 9, CitiMortgage will notify the Paying Agent of the amount of affiliated and third-party Paying Agent advances for which CitiMortgage reimbursed the Paying Agent and that were not recovered from later remittances, net recoveries or other proceeds or collections on the affiliated or third-party mortgage loans, respectively. The Paying Agent will reimburse CitiMortgage for the amount of reimbursements not so recovered on the next business day after its receipt of the notice.

(g) *Limited obligation to make advances* . Notwithstanding anything to the contrary in this agreement, the relevant servicer will not be obligated to make any advance described in sections (a) through (e) above, nor will the Paying Agent be obligated to make any advance described in section (f) above, except to the extent that the servicer or the Paying Agent determines that the advance will be recoverable from future payments and proceeds on the related mortgage loan.

CitiMortgage will provide the Paying Agent with any information CitiMortgage has and the Paying Agent requests to help the Paying Agent determine if a Paying Agent advance will be recoverable.

(h) *Future moratorium legislation* . If after the date of this agreement, any state or locality enacts legislation granting mortgagors a full or partial moratorium on mortgage payments while the mortgagor is on active military service, CitiMortgage, will, by notice to the Paying Agent, elect whether CitiMortgage will advance part or all of any postponed payments under such legislation. CitiMortgage will make a separate election for each state or locality that adopts such legislation. To the extent CitiMortgage elects not to advance part or all of such postponed payments, the Paying Agent will not have any obligation to advance such payments.

3.6 Distributions

(a) *Transfers to distribution account* . Not later than 12 noon on each distribution day, CitiMortgage will withdraw from the certificate account and deposit in a *distribution account* established by the Paying Agent (or to the extent provided in the Series Terms, any pooling, lower-tier or upper-tier REMIC account), all distributions to be made on the distribution day on the certificates (or class P or class L regular interests). The distribution account will not be commingled with any other account.

(b) *Distributions to certificate holders* . On each distribution day, the Paying Agent will distribute from the distribution account (or, to the extent provided in the Series Terms, any pooling, lower-tier, or upper-tier REMIC account) to each certificate holder of record on the preceding record date (other than as provided in section (c) below for final distributions) the certificate holder's share (based on the denomination of certificates of the applicable class held by the holder) of the amounts distributable to such class in accordance with the priorities set forth in the Series Terms, as set forth in the applicable distribution day statement.

All reductions in principal balance of a certificate (or one or more Predecessor Certificates) effected by distributions made on any distribution day or reductions thereof without distributions in accordance with this agreement (including final distributions under section (c) below or section 9.1) will be binding upon all holders of such certificate and of any certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not the distributions are noted on the certificate.

(c) *Final distributions* . If CitiMortgage expects that the principal balance of any class will be reduced to zero on the next distribution day, it will, not later than the third day before that distribution day, mail to the Paying Agent and each person in whose name a certificate to be so retired is registered at the close of business on the applicable record date a notice that:

- CitiMortgage expects that funds sufficient to reduce the principal balance of the certificate to zero will be available in the certificate account on that distribution day, and
- if such funds are available, (A) a final distribution will be made on that distribution day, but only upon presentation and surrender of the certificate at the office or agency of the Paying Agent maintained for that purpose pursuant to the Series Terms (the address of which will be set forth in the notice), and (B) no interest will accrue on the certificate after the end of the month preceding the distribution day.

The final distribution on each certificate (including the final distribution on any certificate receiving a distribution in connection with a termination pursuant to section 9.1) will be payable only upon presentation and surrender of the certificate on or after the distribution day for such final distribution at the office or agency of the Paying Agent maintained for that purpose pursuant to the Series Terms.

(d) *Method of payment* . Each distribution will be made

- by check mailed to the certificate holder at its address appearing in the Certificate Register, or
- by wire transfer if the certificate holder is eligible for wire transfer under the Series Terms and the Paying Agent has received wiring instructions from the certificate holder, or
- by such other means of payment as the certificate holder, CitiMortgage, and the Paying Agent may agree.

Wiring instructions received by the Paying Agent will remain in effect until changed by the certificate holder by written notice to the Paying Agent at least five business days before a distribution day.

(e) *Unclaimed distributions* . Any amounts in the distribution account that are distributable as interest or principal pursuant to this section 3.6, but are not distributed because of the non-presentation of the related certificates, or because the check for such payment is returned undelivered, will be held by the Paying Agent for two years in a separate trust account for the benefit of the holders of such certificates. Amounts in the separate account will be deemed to have been distributed to the holders for the purpose of any calculations required by this agreement and will no longer be available for application to any other amounts due under this agreement.

After two years, any amount that remains in the separate account will be paid to the holders of the residual certificates, as appropriate (except that any amounts representing reimbursement for an insured payment will be paid to the Insurer). After such payment, the certificate holders will be required to seek payments as unsecured general creditors from the holders of the residual certificates, as appropriate.

(f) *Determination of distributions* . CitiMortgage will determine on each determination date, based on payments received on the mortgage loans:

- the pool distribution amount;
- the interest allocation and interest allocation carryforward for each class;
- the principal allocation for each class;
- the principal distribution for each class;
- any ratio-stripped PO class reimbursement;
- any insurance premium; and
- any other information required to determine the distributions to be made to certificate holders in accordance with the Series Terms.

(g) *Distribution day data* . CitiMortgage will prepare, and will deliver to the Paying Agent no later than 12 noon on the third business day before each distribution day, *distribution day data* for that distribution day as to:

(i) the pool distribution amount (including any portion that represents loss recoveries);

(ii) the aggregate amount of interest accrued during the related month on all outstanding certificates and any non-supported prepayment interest shortfalls;

(iii) the aggregate amount of interest to be distributed to each class, identifying the portion attributable to the class's interest allocation carryforwards;

(iv) the aggregate distribution in reduction of principal balance to be made for each class;

(v) the amount in reduction of principal balance of the certificates that is not the result of distributions in reduction of principal balance;

(vi) whether the amount expected to be available in the certificate account will be sufficient to pay all amounts specified in clauses (iii) and (iv) above and, if not, the percentages of each such amount that may be paid in accordance with the priorities set forth in the Series Terms from the amounts expected to be available in the certificate account;

(vii) the amounts included in the statement pursuant to clauses (iii) and (iv) above, expressed in each case per $1,000 initial principal balance (or initial notional balance), to be distributed;

(viii) the aggregate amounts of affiliated servicing fee and any third-party servicing fee to be paid pursuant to section 3.6(h);

(ix) any special hazard loss limit, fraud loss limit and bankruptcy loss limit after giving effect to the distributions to be made on the distribution day;

(x) any amount to be withdrawn from the certificate account and paid over to the holders of the class PR or class LR certificates pursuant to section 3.6(h); and

(xi) the principal balance of the certificates that will remain outstanding after giving effect to the distributions to be made on the distribution day, expressed both on an aggregate basis and per $1,000 initial principal balance.

On the second business day before each distribution day, CitiMortgage will deliver to the Paying Agent a *distribution day statement* (which may be in electronic form), setting forth the distribution day data in statement format.

(h) *Payment of servicing fees; distributions to residual holders* . On each distribution day, if

- CitiMortgage has transferred funds from the certificate account to the distribution account in accordance with section 3.6(a), and
- the Depository for the certificate account has set aside any uncommitted cash in the certificate account that is not required for an uncommitted cash advance, the amount of which uncommitted cash CitiMortgage will certify to such Depository,

then CitiMortgage will withdraw any cash balance remaining in the certificate account, and apply it in the following order:

First , to the payment to CitiMortgage of any portion of the servicing fee not already retained pursuant to section 3.8(b); and

Second , as a distribution to the holders of any class PR, and if there are no class PR certificates, to the holders of the class LR certificates.

(i) *Transfer of certificates* . Subject to the foregoing provisions of this section 3.6, each certificate delivered under this agreement upon registration of transfer of or in exchange for or in lieu of any other certificate will carry the rights to unpaid distributions that were carried by the other certificate.

3.7 Third-party servicing

(a) *Third-party servicing fee* . As compensation for its activities under its third-party servicing agreements, each third-party servicer will be entitled to a third-party servicing fee for each third-party mortgage loan as to which a monthly installment of principal and interest is received equal to the monthly third-party servicing fee rate for the mortgage loan multiplied by the scheduled principal balance on which the installment of interest accrued. (The third-party servicer's compensation may be reduced by any master servicing fee on such third-party mortgage loan, as described in the following paragraph (b).)

(b) *Master servicing fee* . CitiMortgage will be entitled to any master servicing fee that CitiMortgage and the third-party servicer may agree upon in the third-party servicing agreement, *provided* that the master servicing fee rate

- for a specially serviced mortgage loan may not exceed 0.25% per annum, and
- for a third-party mortgage loan other than a specially serviced mortgage loan may not exceed the per annum rate specified as the third-party servicing fee rate on schedule B-TP to exhibit B under the heading "Sub Fee."

CitiMortgage may also be entitled to additional master servicing compensation not based on the master servicing fee rate, as agreed with the third-party servicer, such as any net REO proceeds in excess of the outstanding principal balance and accrued interest on a mortgage loan.

(c) *CitiMortgage liability* . Notwithstanding any third-party servicing agreement, provisions of this agreement relating to agreements or arrangements between CitiMortgage and a third-party servicer, or reference to actions taken through a third-party servicer or otherwise, CitiMortgage will remain obligated and liable to the Trustee and the certificate holders for the servicing of the third-party mortgage loans in accordance with this agreement to the same extent as though CitiMortgage alone were servicing the third-party mortgage loans itself.