

)	Superior Court of New Jersey,
)	Union Vincinage
)	
IN THE MATTER OF RESIDENTIAL)	
MORTGAGE FORECLOSURE PLEADING)	Docket No.: F-00238-11
AND DOCUMENT IRREGULARITIES)	
)	
)	Response to Supplemental
)	Request of Special Master
)	Honorable Walter R. Barisonek

SUPPLEMENTAL CERTIFICATION OF ROBERT R. WILLIS

I, **ROBERT R. WILLIS**, hereby certify that

1. I am a Senior Vice President of Vericrest Financial, Inc. (hereinafter, "Vericrest"). In my capacity of Senior Vice President, I am charged with the day to day management of default operations for Vericrest. In this role, I directly manage collections, special servicing, foreclosure and bankruptcy operations, and oversee attorney and vendor networks. I have been engaged in various capacities of default for the past 17 years and in this current capacity, I supervise the teams that prepare, review, and sign all documents in connection with foreclosure proceedings and the selection and hiring process of all approved attorney networks and attorney vendors for Vericrest.
2. I am authorized by Vericrest to submit this Supplemental Certification to my prior certification dated June 16, 2011 ("Prior Certification"), and have personal knowledge of the facts set forth herein.

3. In accordance with the request of the Court, this Supplemental Certification seeks to clarify the Prior Certification with additional details regarding Vericrest's foreclosure policies and procedures. For the Court's convenience, supplemental responses to each request are set forth below in the same order as that of the Court's original correspondence:

Supplemental Request for Policies and Procedures.

4. The Prior Certification referred to several of Vericrest's Policies and training programs pertinent to foreclosures in New Jersey. Attached are written copies of the following policies and manuals, in order of reference:

- Relevant excerpt from Collections Manual – Tier 2 (Exhibit A),
- Draft Foreclosure Complaint Checklists (Exhibit B);
- Relevant excerpts from Foreclosure and Bankruptcy Manual, revision date March 12, 2011 (Exhibit C);
- Relevant excerpts from Foreclosure Manual, revision date August 5, 2011 (Exhibit D),
- Notarization Policy and Process (Exhibit E),
- Affidavit Review Policy and Procedure (Exhibit F); and
- Summary of Vericrest's New-Hire Training (Exhibit G).

For the reference of the Court, Vericrest has included with this supplemental certification relevant excerpts from the Foreclosure and Bankruptcy Manual effective on the date of the Prior Certification and from the Foreclosure Manual which became effective August 8, 2011. The current form of the Foreclosure Manual separates instructions for foreclosure processes from those applicable to

bankruptcy and is in the process of being supplemented. Vericrest's practical training and semi-annual regulatory and compliance training programs referred to in Paragraphs 27-29 of the Prior Certification have yet to be reduced to writing.

Supplemental Request for Details Regarding Vericrest's Default Process

5. Vericrest is committed to working with borrowers to explore all loss mitigation options prior to foreclosure. Following default, Vericrest actively reaches out to borrowers by phone and by mail to discuss foreclosure alternatives, ensuring that all pre-foreclosure options are evaluated. Where Vericrest receives a borrower request for loss mitigation, or discusses forbearance options with a borrower, Vericrest then evaluates the individual hardships of the borrower and proposes a unique loss mitigation solution. Vericrest maintains a complete contact and communication history for borrowers in jeopardy of foreclosure proceedings.
6. In order to provide additional assistance to its customers, Vericrest established a separate department "Vericrest Cares" whose sole focus is to provide personalized service to help customers who have modified loans. This service helps ensure these customers' loans remains current and also provides free assistance on improving their credit scores. Regrettably, even with these efforts we currently have a number of New Jersey loans in foreclosure. These loans are referred only after all legal notices have been provided to the borrower and all efforts at loss mitigation have proven unfruitful. Nevertheless, Vericrest continues to reach out to borrowers throughout the foreclosure process to seek to resolve each of these cases prior to the foreclosure sale date.

documents required under New Jersey law to initiate foreclosure – demand / breach letters, electronically scanned copies of original collateral documents, state-specific servicing letters, assignments and allonges, and substitutes of trustees. The Vericrest foreclosure assistant then prepares a request to Vericrest’s imaging vendor, Venture, to obtain copies of correspondence relevant to the foreclosure. These documents are uploaded to each vendor’s FTP site and transmitted to LPS. To complete the attorney referral package, the foreclosure assistant assembles original Fiserv screen prints of account information, the material components of which consist of contact details, payment history, customer service notes, interest rate, note and deed of trust date, fees, corporate advances, etc. The referral package is then scanned and uploaded via electronic file transfer to LPS for viewing by local New Jersey counsel

10. When collateral documents required for a foreclosure are not stored in DocuLogic and not immediately available through Venture, a “task” is initiated in LPS for the outstanding materials. The “task” cues an email to Vericrest Document Administration at filerequest@vericrestfinancial.com, which subsequently requests scanned electronic copies of the original loan file from the document custodian.

Supplemental Responses to Paragraphs 6-9

11. Each of the documents Vericrest reviews, executes or certifies during the foreclosure process undergoes multiple levels of review to ensure complete and accurate information is submitted to the Court in compliance with Rules 4:64-1 and 4:64-2. Foreclosure counsel forwards preliminary drafts of all pre-

foreclosure complaints to Vericrest for review prior to execution and filing. Each foreclosure complaint is printed by a foreclosure representative and packaged with relevant account screenshots and copies of custodial documents. The package is then personally reviewed by a Vericrest foreclosure specialist who is familiar with New Jersey foreclosure requirements.

12. As part of the review process for draft pleadings, foreclosure specialists complete certifications prepared by New Jersey counsel that confirm the accuracy of factual representations and attachments to the pleading. The certifications require completion of document checklists to ensure all details of the complaint have been reviewed and, in accordance with New Jersey Local Rule 4:64-1, details regarding the foreclosure specialist's name, title, and job responsibilities have been provided. After the draft complaint has been reviewed and the checklist completed, the foreclosure specialist uploads a copy of the complaint, attachments, and certification to LPS for attorney review. Original hard copies of the documents are forwarded to foreclosure counsel by overnight mail. Examples of the checklists provided by Vericrest's foreclosure counsel are attached as Exhibit B.
13. Foreclosure affidavits are reviewed and completed with a similar level of scrutiny to that of foreclosure pleadings. Upon Vericrest's receipt of a draft affidavit from New Jersey foreclosure counsel, the affidavit is forwarded to a foreclosure specialist assigned to handle the foreclosure. The foreclosure specialist then begins a personal review of each paragraph of the affidavit to confirm the accuracy of the referenced facts. Each affidavit field is confirmed with a review

of the underlying data and documents described previously, and screen shots are printed to verify the information in the affidavit. The screen shots are then attached to the affidavit as support. After verifying the information in the affidavit, the foreclosure specialist personally appears before a notary and executes the document in accordance with Vericrest's Notarization Policy and Procedure. In accordance with New Jersey Local Rule 4:64-2, the affiant attests by signing that (i) her or she is authorized to make the affidavit on behalf of the foreclosure plaintiff or the plaintiff's mortgage loan servicer; (ii) that the affidavit is made based on a personal review of business records of the plaintiff or the plaintiff's mortgage loan servicer, which records are maintained in the regular course of business; (iii) that the financial information contained in the affidavit is accurate; and (iv) that the default remains uncured. Excerpts of Vericrest's Foreclosure Manuals, effective March 3, 2011 and August 8, 2011, that outline the affidavit review process for Vericrest's Foreclosure Department, are attached as Exhibits C and D, respectively. Vericrest's Notarization Policy and Process is attached as Exhibit E.

14. In my Prior Certification, I indicated that Vericrest processed both blank and completed foreclosure affidavit from New Jersey counsel. At the time of the Prior Certification, Vericrest had established Policies and Procedures for completing blank foreclosure affidavits that were similar to those for reviewing foreclosure affidavits completed by counsel. *See* Exhibit C. Vericrest has since updated its "best practice" for foreclosure affidavit and now limits the completion of blank affidavits to very limited circumstances. Proposed revisions to the current

Foreclosure Manual will reflect this change in Vericrest's policies and procedures.

Supplemental Response to Paragraph 18

15. As set forth in Paragraphs 8-10 above, Vericrest's initial foreclosure referral is uploaded via electronic file transfer to LPS and includes detailed loan information and reference documents. Included in the referral package is loan-level data (e.g., borrower(s) name, address, address of property, payment history, etc.) and copies of servicing and custodial documents (e.g., demand letter(s), pay history, loan application, appraisals, assignments, and allonges).

Supplemental Response to Paragraph 21

16. Each of Vericrest's account servicing activities is documented in the Fiserv servicing platform. Access to Fiserv and the ability to modify data within Fiserv is limited by department function, with the scope of access being limited to the relevance of the data and the authority of the person to which access has been granted. For example, authorized individuals within Vericrest's Escrow Department do not have the capacity to adjust borrower interest rates, but could revise escrow details if required. Access above "read-only" is only granted if required by an employee's position and is implemented by Vericrest's IT Department.
17. When material account changes (e.g., borrower name, account values, rates, term, etc.) are made, the changes are preserved in a maintenance field within the Fiserv database. The maintenance field, and any other history or notes relating to the loan, is preserved in an offsite Fiserv storage facility. While Vericrest does not

audit Fiserv accounts to identify whether an individual's access is excessive, account details are routinely reviewed for accuracy by Vericrest's Quality Control Department, and servicing activities are subject to at least annual reviews by Vericrest's Audit Department

Supplemental Response to Paragraph 22

18. As set forth in Paragraphs 5-6 above, Vericrest is committed to working with borrowers throughout the foreclosure process to find alternatives to foreclosure. For loans in active foreclosure, Vericrest requires that all reinstatement or good faith payments be made by certified funds. Any non-certified funds are immediately returned to the borrower and a Strategic Calling Group Agent is assigned to follow up with the customer to determine whether a certified payment arrangement is possible.
19. Partial payments received as certified funds are reviewed by Vericrest's Strategic Calling Group to determine whether a written payment arrangement has been established. If no arrangement exists, a Strategic Calling Group Agent is assigned to contact the borrower to discuss a workout option. If required by Local Rules, Vericrest alternatively contacts local foreclosure counsel to request that counsel initiate discussions regarding workout options. Vericrest retains partial certified payments for five (5) business days, during which Vericrest attempts to reach a loss mitigation solution with the borrower or his / her representative. If no arrangements can be made during this period, or if the borrower is unreachable, the certified funds are returned to the borrower and foreclosure / collection efforts continue.

20. Where a temporary loss mitigation solution is available and agreed to by the borrower, Vericrest promptly notifies foreclosure counsel via LPS to suspend or hold the foreclosure. Foreclosure counsel will then take the necessary actions to dismiss the foreclosure or suspend the action. Where a permanent loss mitigation solution, such as a loan modification, is entered into or a full cure of the default is received, Vericrest notifies foreclosure counsel accordingly and instructs foreclosure counsel to close the action.

Supplemental Response to Paragraph 23-25

- 21 Every New Jersey foreclosure affidavit reviewed by Vericrest's Foreclosure Department is submitted to a secondary level of scrutiny by a member of Vericrest's Quality Control ("QC") Department. The QC Department compares copies of each signed and notarized affidavit against more than thirty (30) data points including the following.

- Borrower & Property Information (*Borrower / Co-Borrower name, property address, investor name, loan origination date, and original loan balance*)
- Loan Information (*principal balance, next due date, Monthly payment amount, and unapplied funds*)
- Interest (*interest accrued date, interest accrued, interest rate, per diem interest, and late charges*)
- Escrow / Force Placed Items (*escrow amounts, force placed taxes, force placed hazard insurance, and force placed flood insurance*)
- Deferred Amounts (*deferred principal, deferred interest, and other deferred amounts*)
- Fees (*property preservation fees, property inspection fees, appraisal / BPO fees, certified mail fees, NSF fees, and other fees*)

- Formatting (*totals, unfilled blanks, spelling, signatures, authorities, and notarization*)
22. Vericrest QC Department's review of signed, notarized copies of each foreclosure affidavit prior to submission to foreclosure counsel ensures that all data fields for the affidavit, including the signature and notarization, are accurate and in accordance with New Jersey law. Secondary quality control occurs after the finalization of affidavits because all data fields of the affidavit have been completed and QC can ensure the accurate of the entire document prior to forwarding to counsel and filing with the Court. A copy of Vericrest's Affidavit Review Policy and Procedure is attached as Exhibit F
23. Foreclosure specialists generally execute between one (1) and five (5) foreclosure affidavits each day. As noted above, each affiant has access to all systems and databases necessary to confirm each data field on a foreclosure affidavit. Indeed, foreclosure specialists are required to print screen shots of each database upon which the information in each affidavit is based.

Supplemental Response to Paragraph 27

24. Vericrest has recently implemented substantial updates to its new-hire training program. All new employees, including all Vericrest foreclosure specialists, are required to complete two (2) weeks of classroom training consisting of eighteen (18) servicing modules. The training program introduces each new hire to mortgage servicing and the functions of each Vericrest department. Vericrest's Training Department documents and maintains a log of each employee's completion of the program. A summary of Vericrest's New-Hire Training is attached as Exhibit G.

25 Following classroom training, each foreclosure specialist is required to complete three (3) weeks of practical training. Training sessions during this period are led by a Foreclosure Department Team Coordinator and guide trainees in specific skills required of foreclosure specialists. At the conclusion of the practical training cycle, the team coordinator prepares an assessment of the trainee for the Assistant Vice President of Foreclosure. Based on recommendations in the report, the Assistant Vice President evaluates whether the candidate is prepared to begin their primary job duties.

Supplemental Response to Paragraph 31

26. See Paragraphs 8-10 above.

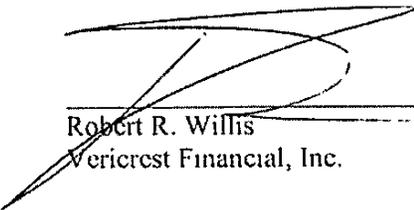
Supplemental Response to Paragraph 33

27. Vericrest foreclosure specialists are assigned foreclosure files within a specific jurisdiction. The specialists are charged with updating foreclosure counsel on the status of the loan via LPS throughout the foreclosure action and monitoring foreclosure timelines. Where foreclosure counsel requires additional information to assist in the foreclosure or to communicate to a borrower, the foreclosure specialist uploads the materials to LPS, which become immediately available to counsel. Foreclosure specialists also provide local counsel updates on the status of loss mitigation, notifying counsel of successful foreclosure avoidance efforts and uploading loan modification, repayment plan, and forbearance proposals when necessary. Each of these documents is provided by the same individual delegated as an affiant pursuant to New Jersey Local Rule 4:64-1.

Supplemental Response to Paragraph 37

28 In addition to the comprehensive review referenced in the Prior Certification, Vericrest's Internal Audit Department regularly tests the controls of each of Vericrest's servicing departments and their compliance with governing law and servicing agreements. Vericrest has also engaged Clayton to perform independent testing of Vericrest's Policies and Procedures, including those specific to foreclosures. Clayton's results are anticipated at the beginning of the fourth quarter of 2011. Vericrest does not anticipate procuring a separate independent audit regarding compliance with New Jersey Local Rules 4:64-1 and 4:64-2.

I certify that the foregoing statements are true and correct based on my personal knowledge or personal review of business records.



Robert R. Willis
Vericrest Financial, Inc.

Date: August 30, 2011





COLLECTIONS MANUAL – TIER 2

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Forwarding an Account for Foreclosure Review

Once the breach letter (that is, Notice of Intent to Foreclose) has expired on an account, a Tier 2 Collector will review the account as a part of their work queue in Fiserv (see Manual Collection Calls).

1. Review the actions taken on the account.
2. Confirm that all collection activities are completed and meet applicable state requirements.
3. Open a CIT 617.
4. In the CIT, enter notes recommending foreclosure review and summarizing the reasoning behind the recommendation
5. CIT 617 is then reviewed by a Tier 2 manager

Accounts in general demand states that do not require additional manual work will be reviewed systemically for foreclosure/charge-off decisioning. Based on the results of the system model, the account will have a CIT 709 opened to forward the account to foreclosure if the net proceeds are greater than or equal to \$10,000.00 for NPL loans and greater than \$15,000.00 for non-NPL loans. Loans that do not meet these criteria are moved to charge-off review queues via a daily automated process (see the Charge-Off Review section below).

Accounts in states that require additional manual work or accounts that do not meet the guidelines of the model will be reviewed by a manager. The manager will perform a quality control review of all the collection activity noted on the account and do the following.

1. Go into Microsoft Access.
2. Open the Short Sale Analysis Database.
3. Enter the account number when prompted.
4. Review the analysis result in order to make a recommendation to send the account for foreclosure or charge-off based on established criteria.
 - If the account needs additional work or if a waiting period is necessary, create a CIT Task 649 for a secondary review.



- If the account requires an additional valuation review, create a CIT 676 to follow up for a new valuation.
- If the account is confirmed for Foreclosure, open the Foreclosure module in Fiserv. Doing so will remove the account from the Collections queue and place the account in a foreclosure queue for the Foreclosure Department.

Charge-Off Review

Accounts are placed in appropriate review queues via automated processes. CIT 685 is used to identify accounts with Net Proceeds between \$.01 and \$9,999.99 for NPL loans and \$.01 and \$14,999.99 for all other loans. These accounts are worked by an agent to ensure that the appropriate decision for referral to foreclosure or charge-off is made.

For accounts that have net proceeds less than \$0, a Low Value/Equity flag is placed on the account and CIT 688 is opened via automated processes. These accounts are worked by an agent to ensure that all avenues of collection activity have been performed prior to charge-off.

CIT 744 is used to identify accounts that are Stand-Alone Seconds, HELOCs and Discharged Bankrupt. These accounts are worked by an agent to ensure that all avenues of collection activity have been performed prior to charge-off.

After completing the review process, the agent opens CIT 913 to move the account to a manager for review of all work performed. If approved, the manager will then change the teller number to route the account to the department VP for final review and approval.

CIT 675 is used to identify accounts that do not fall within the above categories. These accounts can include voided liens, damaged properties, insurance proceeds settlements, etc. This CIT is utilized by all departments to queue an account for charge-off.

Assessing an Account for Field Contact

When no contact with the customer has been achieved, a Field Contact may be requested. A field contact occurs when a face-to-face interaction is attempted at the property address. All requested field contacts are conducted through NCCI (Vericrest's field inspection vendor) and are generally only requested for high risk and/or high balance loans.

Certification Pursuant to N.J. Ct R. 4:64-1(a)(2)

File No

Loan No.

Property Address

Borrowers

Plaintiff:

Docket Number:

I, _____, do hereby certify as follows.

I am employed by Vericrest Financial Inc. at 715 S. Metropolitan Ave., Oklahoma City, Oklahoma 73108 office as a _____. Said company is a mortgage servicing agent for the Plaintiff relative to the subject loan. The Plaintiff has not revoked said mortgage servicing company's authority and, as such, the undersigned is authorized to make and submit the within certification, on behalf of the Plaintiff.

Vericrest Financial Inc. maintains records for the subject loan in its capacity as Plaintiff's servicer. As part of my responsibilities with Vericrest Financial Inc., I am familiar with the type of records maintained by Vericrest Financial Inc. in connection with the subject loan.

The information in this certification is taken from Vericrest Financial Inc. business records. I am competent to testify to the matter state herein because I have personal knowledge of Vericrest Financial Inc. procedures for creating and maintaining these records. These records are: (a) made at or near the time of the occurrence of the matter recorded by persons with personal knowledge of the information in the business record, or from information transmitted by persons with personal knowledge; (b) kept in the course of Vericrest Financial Inc. regularly conducted business activities; and (c) it is the regular practice of Vericrest Financial Inc. to make such records.

Specifically, I have reviewed the following documents:

(check all that apply and initial each document/pleading to confirm your review)

- Note and any/all endorsement or allonges
- Mortgage and any/all assignments of mortgage
- Modification any/all
- Complaint or Amended Complaint & CIS Form
- Complaint or Amended Complaint & CIS reviewed for accuracy

(check all that apply)

- Reviewed names of obligor(s), mortgagor(s), obligee and mortgagee,
- Reviewed amount of debt secured by the mortgage
- Reviewed the Plaintiff is the holder of the Note
- Reviewed dates of the note and mortgage and recording information
- Reviewed dates of all assignments (if any) and recording information
- Reviewed dates of any modifications and recording information
- Reviewed interest rate of the note and whether adjustable or fixed
- Reviewed due date of the obligation
- Reviewed the stated payment amount in the note
- Reviewed monthly late charges
- Reviewed pre-payment penalties in the note (if any)
- Reviewed date of default (Date next installment is due)

- Reviewed whether the mortgage is a purchase money mortgage
- Reviewed property address and tax block and lot references
- Reviewed Notice of Intention to Foreclose was mailed at least 30 days prior to filing of Complaint to all obligors at the property and any mailing address
- Reviewed content of Notice of Intention to Foreclosure to confirm the default date, Lender Contact Information, and Reinstatement and/or Payoff Amount (as applicable) and that it was sent to borrower via certified mail at least 30 days prior to filing of complaint
- (remove this) Reviewed Possession Date (30 days after the due date of the 1st missed payment)
- Reviewed Third Count (if any), accurately provides the information for a second mortgage on this property also held by Plaintiff which is being foreclosed with the first mortgage or recites need for a reformation of Legal Description in Complaint (if necessary).
- Reviewed whether this is a residential or commercial mortgage foreclosure
- Reviewed whether this is a "High Risk Loan" or not

I hereby acknowledge that I have personally reviewed this matter with the understanding that the law firm of Shapiro & Perez, LLC will rely upon the information contained herein in its submissions to the Court. I hereby certify that the foregoing statements are true to the best of my knowledge, information and belief.

By: _____ Dated: _____

Name: _____

Title: _____

Company Name: _____

Responsibilities: _____

STERN, LAVINTHAL, FRANKENBERG & NORGAARD, LLC
COUNSELLORS AT LAW
105 Eisenhower Parkway, Suite 302
Roseland, New Jersey 07068
(973) 797-1100
Telecopier (973) 228-2679

August 11, 2011

Dear Loan Specialist

The following is a checklist prepared to allow this office to comply with the Rules of Court concerning foreclosures. Please review the checklist with the pleadings that have been filed in this action, as well as the note, mortgage, assignments (if any), and loan modifications (if any) I am forwarding to you the pleadings that we have filed. If you believe a pleading is missing in your portfolio, please contact us and we will forward same immediately. Please feel free to contact me with any questions you may have. My email address is cgioino@sternlav.com.

Please feel free to input any information you believe we should consider in the preparation of our Certification of Diligent Inquiry, in the comments section below. We would appreciate it if your response were directed via email with the loan number and the words "Diligent Inquiry/Post FJ" in the subject line.

Comments

As always, please feel free to contact us with any questions you may have. Thank you.

Very truly yours,
STERN, LAVINTHAL, FRANKENBERG & NORGAARD, LLC

Charles A. Gioino, Esq.

**CLIENT CHECKLIST IN SUPPORT OF CERTIFICATION OF DILIGENT INQUIRY: POST
FINAL JUDGMENT, PENDING SALE**

RE: LOAN NUMBER:

MORTAGOR NAME:

PROPERTY ADDRESS

A.	I understand that the following checklist will be relied upon by counsel for Plaintiff, in submitting a Certification of Diligent Inquiry to the Court, as required by the Rules of Court. This certification will be relied upon to permit this matter to go to Sheriff's sale	___Yes ___No
B.	I am making the statements herein, based upon my personal review of the business records kept in the regular course of business, of the Plaintiff or Plaintiff's servicer	___Yes ___No
C.	I am aware that the Rule requires that my name, business address and job responsibilities must appear in the pleadings submitted to the Court as part of the Certification of Diligent Inquiry.	___Yes ___No
D.	I am employed by _____ (If I am employed by the Plaintiff, I may skip to Paragraph G.)	
E.	I am employed by the Servicer for the holder of the note. The relationship between the servicer and the Plaintiff, and the servicer is that of: (ie trustee for loans held by the Plaintiff, servicing agent for loans held by the Plaintiff) _____ _____ _____	
F.	I have confirmed the authority of the servicer to act on behalf of the plaintiff.	___Yes ___No
G.	My job responsibilities are as follows. _____ _____ _____	

H.	My job title is _____	
I.	I have reviewed the Proof of Amount Due Affidavit and Schedule.	<input type="checkbox"/> Yes <input type="checkbox"/> No
J.	I have personally reviewed the original Note or a true copy of the Note, and have confirmed the accuracy of the information as reflected in the pleadings attached hereto. (This review should include the note and all allonges and endorsements thereto, as well as chain of custody, where appropriate)	<input type="checkbox"/> Yes <input type="checkbox"/> No
K.	I have personally reviewed the recorded assignments, and have confirmed the accuracy of the information contained therein	<input type="checkbox"/> Yes <input type="checkbox"/> No
L.	I have reviewed any and all documents, data, records, loan histories, loan modifications, origination files or the like, which could impact the accuracy of the pleadings in this case, and have determined that the information contained in the pleadings, including the Proof of Amount Due Affidavit and Schedule (check one) <input type="checkbox"/> is accurate <input type="checkbox"/> has the following errors/omissions: _____ _____ _____	

M.	<p>If there are errors, please check one of the following</p> <p>_____ Despite the error, counsel is requested to seek entry of Final Judgment with the current Schedule attached, by providing an explanation to the Court of the error. If the Office of Foreclosure determines that the error is minor or inconsequential, it may recommend the entry of Final Judgment utilizing the figures contained therein.</p> <p>_____ Due to the error, counsel is requested to either prepare a revised proof of amount due or move before the local vicinage Judge for an Order permitting the entry of Final Judgment</p>	
N	<p>Comments:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	

DATE

Sign: _____
 Print your name:

LOAN NUMBER
 MORTAGOR NAME
 PROPERTY ADDRESS

UDREN LAW OFFICES, P.C.
WOODCREST CORPORATE CENTER
111 WOODCREST ROAD
SUITE 200
CHERRY HILL, NEW JERSEY 08003-3620
856. 669. 5400
FAX: 856. 669. 5399

FREDDIE MAC
PENNSYLVANIA
DESIGNATED COUNSEL

NEW JERSEY CLIENT ALERT
June 21, 2011

As you are aware New Jersey foreclosure cases were stalled pending determination by the Court of New Jersey as to how to handle disclosures regarding improper procedures used in executing affidavits in connection with residential mortgage foreclosure cases. In an effort to purge the docket, on December 20, 2010, New Jersey Rule amendments became effective. On February 1, 2011, the court suspended deadlines of February 3, 2011 and February 18, 2011 to file certifications in pending cases to allow public comment on the rule. On June 9, 2011, amendments were passed. The changes were not as radical as we had hoped. Prior to proceeding in foreclosure or filing a complaint in foreclosure, the required certification must be filed. Plaintiff's counsel must file a certification that all documents filed in the case comply with ethical rules and that the attorney communicated with an employee or employees of the plaintiff or a service of plaintiff who

- (a) personally reviewed documents for accuracy;
- (b) confirmed the accuracy of all court filings in the case to date, and
- (c) must supply name(s), title(s), and responsibilities of the employee(s) of the plaintiff who provided this information to the attorney

In order to comply with these rules, we have attached a form for completion. The information supplied in this form will be the basis for the certification filed by Counsel with the Court. For purposes of compliance, we ask you to complete the review of the complaint and, if applicable, all documents previously filed in each case, accurately fill out the attached form and send it directly to the attention of counsel at the email address identified in the instruction.

If you cannot confirm the accuracy of the content of all filed documents, please contact us and we will suggest remedial action for purposes of proceeding properly with foreclosure.

If you have any questions regarding this notice, feel free to contact us

NJ CERTIFICATION BY PLAINTIFF OR SERVICER FOR PLAINTIFF

I personally reviewed all of the documents submitted to the Court in this case on _____ (date) and confirmed their accuracy and hereby communicate this information to Counsel.

Signature

Print full name of employee who reviewed documents and confirmed their accuracy: _____.

Print title of employee who reviewed documents and confirmed their accuracy: _____.

Print name of the entity that employs the person who reviewed documents and confirmed their accuracy: _____.

Check to indicate whether the entity that employs the person who reviewed documents and confirmed their accuracy is:

____ Plaintiff or

____ Servicer for Plaintiff.

Print or supply attachment describing the responsibilities of employee who reviewed documents and confirmed their accuracy:

_____.

Instructions: Please conduct a thorough review of all documents filed or to be filed in the foreclosure and confirm their accuracy. Please complete this form and send by email to NJCERTIFICATION@Udren.com. If you cannot confirm the accuracy of documents, please contact us and we will suggest remedial action for purposes of proceeding properly with foreclosure.

MJU file No.
Servicer Loan Number:
Property address:



FORECLOSURE-BANKRUPTCY MANUAL

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Scope

The policy(ies) and procedure(s) contained in this document apply to:

- those mortgage loans serviced by Vericrest Financial, Inc. ("Vericrest") which are involved in foreclosure and/or bankruptcy action and managed by Vericrest's Foreclosure/Bankruptcy Department.

Effective Date

The effective date of this policy is April 1, 2011.

General

Foreclosure

Foreclosure (FC) is a legal proceeding by which the property mortgaged as security for a loan is sold to pay the customer's outstanding debt. Foreclosure terminates the rights of all persons in the property subject to default and allows Vericrest to acquire marketable title to the property. Foreclosure is a time-consuming and costly process, which should only be pursued after all collections and loss mitigation efforts have been exhausted.

For loans serviced by Vericrest that have mortgage insurance/private mortgage insurance, it is the Foreclosure/Bankruptcy Department's responsibility to ensure that foreclosure processing meets each mortgage insurance carrier's rules and requirements

Additionally, different investors have different requirements regarding the treatment of loans within a specific pool of loans sold by that investor. For the Investor 12300 and 12400 loan pools acquired by Vericrest from HUD, one of the requirements in the Conveyance Assignment Assumption (CAA) Agreement states that Vericrest may not take seriously delinquent loans to foreclosure sale within the first six (6) months of Vericrest's servicing responsibility. Vericrest may, however, petition HUD to lift this restriction on a case-by-case basis by loan. This document contains the policies and process for pursuing foreclosure sales on identified loans, if warranted.

Bankruptcy

Bankruptcy (BK) is a legal proceeding by an individual or an organization (the "debtor") who is unable to pay his/her/its debts has their assets are liquidated, the proceeds from the



Liquidation going to toward the debts owed, in exchange for which the debtor is relieved of further liability on the debts. Chapter 7 of the Bankruptcy Reform Act deals with liquidation; Chapter 11 deals with reorganization; Chapter 13 deals with reorganization plus a debtor's attempt to repay a debt and retain non-exempt assets or continue to operate a business.

Systems

Vericrest's Foreclosure/Bankruptcy Department manages the foreclosure and bankruptcy activity on the applicable Vericrest-serviced loans. Vericrest has engaged Lender Processing Services (LPS) Default Solutions (LPSDS), a third party foreclosure/bankruptcy processing vendor, to work with Vericrest's local attorneys, the customer's/debtor's foreclosure/bankruptcy attorneys, and the courts. To facilitate the interaction, a group of LPS employees works onsite with the Vericrest FC/BK staff members. The LPS Vericrest – Global Manual addresses specific LPS employee responsibilities.

Vericrest utilizes LPS's Process Management Desktop system for the foreclosure and bankruptcy work processes. Upon approval by Vericrest, certain LPS personnel also receive access to Vericrest's servicing system, Fiserv (refer to the Requesting/Revoking LPS Access to Fiserv procedure).

In addition, Vericrest must approve local attorneys to work on the Company's behalf and to be added to the LPS Process Management system. All attorney change requests (for adding or altering an approved attorney in the Process Management system) must be sent to LPS by an authorized Vericrest designee. LPSDS will add/change/disable the attorney in the Process Management system. Refer to the Requesting Attorney Changes in the LPS System procedure.

This manual contains Vericrest's foreclosure and bankruptcy policies, and internal Vericrest-only procedures. Vericrest-LPS procedure documentation may be obtained from the Foreclosure/Bankruptcy Department.

Policies

General

- The Foreclosure/Bankruptcy Department complies with all applicable local, state and federal foreclosure and bankruptcy laws and regulations.



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- The Foreclosure/Bankruptcy Department complies with the related requirements of the Home Affordable Modification Program (HAMP) and the Home Affordable Foreclosure Alternatives (HAFA) program.
- Vericrest assumes the ultimate responsibility for the compliance of its foreclosure/bankruptcy processing vendor to all applicable local, state and federal foreclosure and bankruptcy laws and regulations.
- Appropriate foreclosure/bankruptcy processing vendor employees may be granted access to Vericrest's servicing system and other necessary systems upon approval by the Vice President of Default Operations or above. The foreclosure/bankruptcy processing vendor must also promptly notify Vericrest when one of their employees terminates their employment with the vendor or when that employee's duties no longer justify access to Vericrest's systems, so that Vericrest can revoke that access authority in a timely manner.
- Local attorneys to be retained on behalf of Vericrest must first be approved by the Vice President of Default Operations or above. Upon approval, the Vice President of Default Operations will add the attorney(s) to the approved attorney matrix, and will forward the revised matrix to Vericrest's Vendor Management Office (which will execute retainer agreements) and to the foreclosure/bankruptcy processing vendor (which will add the attorney(s) to the vendor's system)
- Vericrest requires that Foreclosure/Bankruptcy counsel bi-annually certify compliance with all applicable state and federal laws in conducting foreclosure-related activities for Vericrest. Vericrest also requires that Foreclosure/Bankruptcy bi-annually certify compliance with all applicable state and federal law in notarizing any document in connection with Vericrest.
- The execution of foreclosure and bankruptcy affidavits will be performed by select Vericrest employees, trained in the review and validation of figures entered into the affidavit, and authorized by Vericrest Servicing Management to perform this task.
 - Persons authorized to execute foreclosure or bankruptcy affidavits include Vericrest's FC/BK Specialists, the Assistant Vice President of Default Operations, the Vice President of Default Operations, the Senior Vice President of Default Administration, and Legal Department designees.



- Prior to executing foreclosure or bankruptcy affidavits, authorized persons will validate the figures and will take screen shots from the servicing system as back up for the figures, which will be uploaded to the document imaging system.
- Anyone signing a foreclosure affidavit without carefully reviewing the customer's file personally will be subject to disciplinary action.

Mortgage Insurance Carrier-Related

- *For loans serviced by Vericrest that have mortgage insurance/private mortgage insurance, the Foreclosure/Bankruptcy Department ensures that foreclosures meet each mortgage insurance (MI) carrier's rules and requirements, including any carrier's state-specific requirements (see Appendix A, MI Carrier Foreclosure Guide).*
- *The following MI carriers have pre-sale requirements for the purpose of setting the bid amount and must receive Vericrest's bid no fewer than **15 days prior to the foreclosure sale date**: Genworth Mortgage Insurance Corporation (GEMIC), Private Mortgage Insurance Company (PMI), and Republic Mortgage Insurance Company (RMIC).*
 - *If the carrier approves the foreclosure bidding instructions, the Foreclosure Department may proceed with standard Vericrest processing.*
 - *If the carrier denies the foreclosure bidding instructions, the Foreclosure Department must re-work the foreclosure bidding instructions accordingly prior to implementation.*
 - *Any pending foreclosure sale must be delayed until the carrier approves the bid amount.*
- *The following MI carriers have provided Vericrest with bidding guidelines: Private Mortgage Insurance Company (PMI), Radian Guaranty, Inc. (Radian), Republic Mortgage Insurance Company (RMIC), Triad Guaranty Insurance Corporation (Triad), and United Guaranty Corporation (UG).*
- *The following MI carriers have state-specific bidding requirements: Mortgage Guaranty Insurance Corporation (MGIC), Radian Guaranty, Inc. (Radian), Republic Mortgage Insurance Company (RMIC), Triad Guaranty Insurance Corporation (Triad), and United Guaranty Corporation (UG).*



C. Click **Submit**.

- If the balance of the account is over \$200,000, follow the applicable steps above.
- If the balance is less than \$200,000, send the loan to the Loss Mitigation Department for charge-off review.

Completing/Validating FC and BK Affidavits

Vericrest requires that foreclosure/bankruptcy counsel bi-annually certify compliance with all applicable state and federal laws in conducting foreclosure-related activities for Vericrest. Vericrest also requires that Foreclosure/Bankruptcy bi-annually certify compliance with all applicable state and federal law in notarizing any document in connection with Vericrest.

When an Affidavit of Indebtedness (AOI) or other like affidavit is required from Vericrest in attestation of specific details/figures related to a loan, Vericrest's foreclosure/bankruptcy attorney prepares the affidavit in accordance with the legal requirements of the venue of the foreclosure or bankruptcy. Foreclosure/bankruptcy counsel then sends the affidavit to Vericrest via the LPS Process Management system. The LPS Onsite Service Assistant prints the foreclosure or bankruptcy affidavit and forwards it to the appropriate FC/BK Specialist assigned to that state for completion or validation (see LPS Onsite Service Assistant Role).

Vericrest's local foreclosure/bankruptcy counsel may provide Vericrest with an AOI for which the loan-specific fields are blank (except for identifying loan information) ("Blank" affidavits). Blank affidavits require Vericrest's FC/BK Specialist to calculate and insert the loan-specific figures into the affidavit.

Vericrest's foreclosure/bankruptcy counsel may alternatively provide Vericrest with an AOI pre-filled affidavit with loan-specific information ("Pre-filled" affidavit), requiring Vericrest's FC/BK Specialist to validate the figures in the affidavit, to provide Vericrest supporting system screen shots if necessary to support corrections to the pre-filled figures, and to correspond with the attorney until a correct affidavit is provided. The sections below provide insight into verifying and confirming Blank and Pre-filled affidavits.

IMPORTANT: States have different regulations as to which fees/costs may be included in the debt calculation. Vericrest relies on its foreclosure/bankruptcy counsel to advise it on state and federal laws regarding the inclusion of fees when calculating a borrower's debt, but Appendix C, Foreclosure Affidavit Fees State Requirements, also sets forth specific state-law requirements.



Completing a "Blank" Affidavit

NOTE: The order in which the data is completed and validated may differ from that presented below, depending on the format of the actual affidavit and the particular state/local requirement.

When the FC/BK Specialist receives a Blank affidavit from the LPS Onsite Service Assistant, the FC/BK Specialist does the following.

1. Review the printed Blank affidavit.
2. Go into the referenced account in Fiserv.
3. Review the account alerts for the presence of a Foreclosure alert.
 - If a Foreclosure alert is present, continue to the next step.



- If a Foreclosure alert is not present, the loan is not in Foreclosure status and the affidavit is not necessary. In the LPS System, reject the affidavit and utilize the



Intercom function to provide the rejection reason. No further action is needed in this process.

- Go to the CUSTOMER/LOAN INQUIRY screen by entering CUS LOA on the Command line and clicking **Submit**.

CUSTOMER/LOAN INQUIRY 867 11/03/2010 3:47 02 PM ETPFSP213

ACCOUNT NUMBER 9800 M/P/A/S P Warn 5 Lock 0 Stop-1 0-2 0-3 0 Cert Fno 0

Ssn (H) 10 (W) 0
Ssn C0000000 (H) 0 (W) 0
Inv 2200 CIT MORTGAGE LOAN TRUST 2007-1
Lnlyp 1 CONVEYTI Sub 0 Contact [X]

ORHND BRACH 13 12174 Contract 000654 STEP MODIFICATIONS

--- Payment Data --- Last Tax/Haz Transaction --- Bal/View (B/U) [B] ---

Total Due 20187.19
Next Due 04/01/10
Recd 0.00
P&I 1210.27
Esc 515.04
Opt Prd 0.00
Anoll 187.17
Lt Chg 0.00
Total 5913.28
Part Pmt Dt 00/00/00

Other Data
1st Pmt 01/01/07 Rate 4.00000
BAL/VIEW 02/01/07 Term 323
Mat Dt 02/07 Orig 02/17 Cls Cd 1 UNAP 0.00
Asum 0 0-00/00 Le Ases 1 Crc 1b MERS Y
P/O 0000 00/00/00 EC 1 0.000
INT ALT CHG 04/10 OF P11
Lst Esc Anl 03/10 Lst Pmt 11/01/06 Def Arnt 30800.57
O/S -2857.05 Int Meth 000000000000

Fidmen Couns [X]
ALERT 001 ACTIVE CIT(S) OUTSTANDING DESC: FILE TRACKING
CAN PRPLN Last Note 10/28/10 Last Dm 10/28/10 MODIFICATION DT 03/05/10 f

Message [] OK
Command: [] Submit Reset Print

- Validate the following items on the CUSTOMER/LOAN INQUIRY screen against those shown on the affidavit.

- account number
- borrower name(s)
- property address
- investor
- original balance
- principal balance



- next due date
 - P&I amount
 - escrow amount
 - ancillary payment amount
 - total fee amount
 - interest rate
 - deferred amount
 - any other amounts that may be included in the affidavit.
- If all data matches, continue to the next step.
 - If any data does not match, reject the affidavit in the LPS System and utilize the Intercom function to provide the rejection reason.
 - NOTE: The FC Specialist will also need to validate that the foreclosure action is taken in the correct name according to the approved Trust Matrix. In most cases, the action is taken in the name of the trust, though there are exceptions in several states, including Florida, Illinois, Indiana, Massachusetts, New York and New Jersey where the action may be taken in the name of the trustee. Also, in some states, using language such as "as attorney-in-fact" or "for the benefit of" is prohibited in foreclosure pleadings. Vericrest's foreclosure counsel will provide the correct language for the foreclosure pleadings and will ensure accordance with local guidelines.
- 6 Review the CUSTOMER/LOAN INQUIRY screen to determine whether amounts are present in either the Esc field or the Ancill field or both fields.
- If there is no amount in either the Esc field or the Ancill field, continue to the next step.
 - If there is an amount in either the Esc field or the Ancill field, do the following.
 - A. Go to the DISPLAY/CHECK screen by entering **DIS CHK** on the Command line and clicking **Submit**.



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- B. Print the screen.
 - C. Enter the amount(s) on the affidavit.
7. Review the CUSTOMER/LOAN INQUIRY screen to determine whether an amount is present in the Def Amts field.
- If there is no amount in the Def Amts field, continue to the next step.
 - If there is an amount in the Def Amts field, do the following.
 - A. Go to the ADMIN/ADJUST – LOAN INFORMATION screen (see next page) by entering **ADM ADJ** on the Command line and clicking **Submit**.



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Previous Current Next

ADMIN/ADJUST - LOAN INFORMATION 86711/03/2010 3:49.52 PM ETPFSP507 3 4

Account Number 9800 Namckey 061 Ovride 0

Rate Change Code Effective Date 11/03/10 Regulatory Table ID

Esc Int Entry Code 0 Entry Sub Code 0 State Code 10

IOE Elig/PCI Y / -9999 999 Pay Esc Int 0 00 Regulatory State Code 0

Paid To Date 03/01/10 Int Rate 4.00000 Next Bill Dt 00/00

P&I Pymt 1210.27 Esc Pymt 0 00 Sv Chg Amt 0.00

Ext Int 0 00 Repl Resv 0 00 Asst Amt 0 00

Uncoll Ins 0 00 Uncoll Int 0 00 Uncol Late Chg 0 00

Defer Pym 0.00 Defer Paid Exp 0 00 Defer Unpaid Exp 0 00

Defer Mod Int 20271.43 Defer Fees 2529.16 Defer Lato Chrg 0.00

Defer Esc 0 00

Defer Skip Int 0 00 Dcnt Term 0 Dcnt (\$) 0 00

Dcnt (%) 0.0000 Unea Dcnt 0.00 Last Payment Dt 11/01/00

Market Rate 3.12500 Int Stmt 0 Last Full Pymt Dt 01/30/09

Billed Esc 0 00 Employee Code Registered With Mers Y

Clos Esc Bal 0.00 Clos Esc Pmt 0 00 Mom Loan Indicator N

Extended Term 0 Convert To Fixed Rate Y Mers Register Dt 00/00/00

Reason Code AA Ln Level Nsf Fee 0.00

Malunty Date 02/20/07 Auto Terminate PMI

P&I Shlg/Cap 0 00 0.00

Zero % Allowed X Sec Loan Alert Flag N

Payoff Ovrgr Amt 0 00 Payoff Ovrgr % 0 00000 Int On Payoff Thru 0

LDI Exclude Y/N 0 LDI PCI 0 00 LDI Payable 0 00

Formula Code 0 Frequency 0 Contractual Due Day 1

Disbursement Dt 00/00/00 New PCI -9999 999 Esc Int Rate 0 00000

State Max Apr Rate 0 00 Orig Apr Points/Fees 0.00

Regulatory Rates Interest Rate 99.99999 Judgment Rate 99 05999 Preemptive Rate 99 99999

Accrual Flag 0 Interest Stop Accrual Flag Y

Accrual Performance Ctr 0 Accrual Perform Start Date 00/00/00

Carryover Interest for Future Tax Years

Begin Date	End Date	Amount	Begin Date	End Date	Amount
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00
00/00/00	00/00/00	0.00	00/00/00	00/00/00	0 00

Message: OK INQUIRY ONLY

Command: Submit Reset PrintAll

- B. Print the screen.
- C. Enter the amount on the affidavit.



- 8. Go to the PAYOFF/QUOTE PAYOFF STATEMENT screen by entering PAY QUO on the Command line and clicking Submit

PAYOFF/QUOTE PAYOFF STATEMENT 86711/03/2010 3.48 22 PM PTPFSP579 5 6

Account Number 9800 Name

General Information
State 10
Loan Type 1 Subtype 0
Investor 22600
Warning 5 Stop 0 0 0 Lock 0

Payoff Parameters
New? Payoff Interest To Date 11/17/10
EXPIR DT 11/17/10 Payoff Int Moth 5
Payoff Type 2 PPSBTD
Action/Exception Code 969 Date 11/17/10
Note Holder Tracking Teller
Panel 1/2/3/4/5/6 2 HARP Refinance N

Funds Type	Balances	Adjustments	Distribution
Principal - As of 01/01/10	239146.06		239146.06
Interest (Uncollected / Due)	0.00	0.00	0.00
Deferred Amounts	30000.57	0.00	30000.57
Deferred Optional Insurance	0.00	0.00	0.00
Late Charges (Uncollected/Due)	0.00	Waive # Mo 0	0.00
Non Fin Optional (Uncoil / Due)	0.00	Waive # Mo 0	0.00
Financed Optional Rebate Prin Cr	0.00	0.00	0.00
P&I Advance (Uncollected / Due)	0.00		0.00
Fees (Receivable / Post)	-15192.24	15192.24	-15192.24
PPP FOFUPFLAG/PLAN# 316MO	0.00	0.00	0.00
Fees Additional Escrow		5714.01	
EHA PREMIUM LATE FEE	0.00	0.00	0.00
Escrow (current/Retain)	0.00	0.00	0.00
Unapplied Fd 1 (current/Retain)	0.00	0.00	0.00
Unapplied Fd 2 (current/Retain)	0.00	0.00	0.00
Unapplied Fd 3 (current/Retain)	0.00	0.00	0.00
Unapplied Fd 4 (current/Retain)	0.00	0.00	0.00
Unapplied Fd 5 (current/Retain)	0.00	0.00	0.00
BUYER ASSISTANCE AMOUNT	0.00	0.00	0.00
BUYDOWN PRINDS	0.00	0.00	0.00

Payoff Funds Required

Override 1 Order # Esc #

Message: ENTER Y TO DISTRIBUTE FEES *NO* BOTTOM

Command: Submit Reset Refresh

- 9. In the Override field, enter the next sequential number (for example, if the Override field contains 1, enter 2).
- 10. In the Payoff Interest To Date field, enter the "good through" date provided by the attorney.



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11. In the Expir Dt field, enter the same "good through" date
12. In the Payoff Type field, enter **2**.
13. In the Note Holder field, confirm that the entry is **2**.
14. In the Panel field, enter **2**.
15. In the Fees (Receivable / Post) field, enter **Y** in the N/Y field.
16. Click **Submit**.
17. The PAYOFF/QUOTE PAYOFF STATEMENT screen will display again. Review the Fees (Receivable / Post), Payoff Interest To Date, Expir Dt, Payoff Type, Note Holder and Panel fields to ensure that all are correct as indicated above.
 - If all fields are correct and the Message line displays "OK", continue to the next step.
 - If any fields are not correct, repeat Steps 9 – 17 as often as necessary until the Message line displays "OK", then continue to the next step.
18. Print the screen.



20. The PAYOFF FUNDS PANEL screen will display. Print the screen.

Previous	Current	Next
PAYOFF FUNDS PANEL		
Account Number: 9800		867 11/03/2010 3 49:15 PM ETPFSP576 3 4
Funds Detail Information		
Principal	239146.06	
Interest 03/01/10 To 11/12/10	6669.49	
Prepayment Penalty Interest	0.00	
Escrow/Impound Required	5714.01	
FHA Premium Due HUD	0.00	
Optional Insurance	0.00	Escrow/Impound Required
Late Charges Due	350.00	11/01/10 HAZARD INSUR 3036.31
P&I Advance	0.00	11/01/10 TAXES 2628.70
Deferred Amounts	30880.57	
Fees Assessed w/Payoff Quote	0.00	Interest Calculations
Interest Calculations		
	Rate	From To Int Due
Fees Required w/Payoff Funds	0.00	4.000 03/01/10 11/01/10 6377.70
Fees Currently Assessed	15197.24	4.000 11/01/10 11/12/10 202.20
Buyer Assistance	0.00	Per Diem/Expiration Information
Funds to be Credited		
Less Escrow/Impound Funds	0.00	After 11/12/10 Add 26,571.8
Less Unapplied Funds	0.00	FOR INTEREST PER DAY
Less Buydown Funds	0.00	Quote Expires 11/12/10
Less Financed Cov Rebate Funds	0.00	Financed Cov Rebate Good Until 00/00/00
Payoff Funds Required	297872.37	
Funds Retained		
Escrow/Impound Funds	0.00	
Unapplied Funds	0.00	
Buydown Funds	0.00	
Message:	CLICK RETURN TO EXIT	OK
Command:		Submit Reset Print

21. Validate the amount in the Principal field (the unpaid principal balance) on the screen against that figure on the affidavit.

Funds Detail Information	
Principal:	239146.06

- If the Principal amounts match, continue to the next step.
- If the Principal amounts do not match, reject the affidavit in the LPS System and utilize the Intercom function to provide the rejection reason.



22. Review the Escrow/Impound Required section for an item labeled HAZARD INSUR.

Escrow/Impound Required		
11/07/10	HAZARD INSUR	3089.31
11/01/10	TAXES	2628.70

- If there is no HAZARD INSUR item in this section, continue to the next step.
- If there is a HAZARD INSUR item, make note of the amount and include the amount with any other state-allowed pre-acceleration fees on the affidavit.

23. Review the Escrow/Impound Required section for an item labeled TAXES.

- If there is no TAXES item, continue to the next step.
- If there is a TAXES item, enter the amount on the affidavit.

24. Review the Escrow/Impound Required section for an item labeled ESCROW ADVANCED.

- If there is no ESCROW ADVANCED item, continue to the next step.
- If there is an ESCROW ADVANCED item, enter the amount on the affidavit.

25. Locate the figure in the Add field of the Per Diem/Expiration Information section (the per diem interest rate) and enter it (to two decimal places, unrounded) on the affidavit. If pre-filled on the affidavit, validate this figure (to two decimal places, unrounded) on the affidavit and correct the affidavit if necessary.

Per Diem/Expiration Information		
After:	11/12/10	Add: 26.5718
FOR INTEREST PER DAY		

26. Enter the amount in the Interest field (the accrued interest) on the affidavit.

Funds Detail Information		
Principal:		239146.06
Interest:	03/01/10 To: 11/12/10	6669.49



27. For late charge review, refer to Appendix C, Foreclosure Affidavit Fees State Requirements, for state specifics
28. For escrowed taxes and insurance review, go to the DISPLAY/HISTORY screen by entering **DIS HIS** on the Command line and clicking **Submit**.
29. In the DSP field, enter **ESC (escrow)** and click **Submit**.

Previous	Current	Next	86711/04/2010 2:16:46 PM EFPFSP555		3 4 5 6
DISPLAY/HISTORY					
Acct	[9800]	Scm	Dsp	Fsc	Order []
Name		Type	Sub	Inv	22600
- Dates -	Paid To	03/01/10	Next Due	04/01/10	Last Pmt 11/01/09 Audit 11/27/09
- Bal -	Prin	239146.06	Esc	0.00	Unap/Cd 0.00 f
- Uncol -	Lo	0.00	Opt Prd	0.00	INT 0.00 RPN 15192.24
	P&I Adv	0.00			
- Yld -	Int	913.14	Taxes	0.00	Loss Draft Red? H
- Date -	Tr	Pcto	Tr	Amt	Prin
110110	MZ	030110		75.54	41 REPT INT ON FEES
107510	IB	030110		45.00	40 EXPENSE ADVANCES
102510	FA	030110		966.00	40 EXPENSE ADVANCES
107510	FB	030110		200.00	40 EXPENSE ADVANCES
102510	FD	030110		400.00	40 EXPENSE ADVANCES
102510	FE	030110		625.00	40 EXPENSE ADVANCES
102510	FF	030110		910.00	40 EXPENSE ADVANCES
100810	FB	030110		10.75	36 CORP ADV 1 EMPRAE
100110	FF	030110		35.54	41 REPT INT ON FEES
Comments-1					
Comments-2 PAY PRIN FEB 9/20* 386-387-3731//CRPT FUNDS					
Message	DISPLAY COMPLETE			OK	MORE
Command	Submit Reset Print				

30. The DISPLAY/HISTORY screen will display again showing escrowed tax and insurance items only.
31. Review the screen for escrowed tax and insurance items.
 - If there are no tax and insurance items, continue to the next step.
 - If there are tax and insurance items, enter the amounts on the affidavit.
32. Print the screen.



33. Go to the CUST/FEES - REVIEW OUT-STANDING FEES screen by entering CUS FEE REV on the Command line and clicking Submit.

Previous Current Next
 CUST/FEES - REVIEW OUT-STANDING FEES 86711/03/2010 3:51:26 PM ET PFS243 3 4 5 6
 Account 9800 Rpt As Lnk (Y/N) F

All Fee Types Receivable	Total	25192.24
Amortized Fee Types Receivable	Total	20451.49
Recurring Fee Types Receivable	Total	0.00
Other Uncollected Fees	Total	4740.75

Fee Type	Description	Total
036	CORP ADV 1 GENERAL	-326.75
040	EXPENSE ADVANCES	-3919.00
041	REPT INT ON FEES	-285.20
163	CORP ADV 2 PFLOOD	-8144.97
165	CORP ADV 4 PFINS	-2516.32

Message: [SELECT THE DESIRED TYPE] [OK] [BOTTOM]
 Command: [Submit] [Reset] [Print]

34. Print the screen.
35. Confirm that the amount in All Fee Types Receivable Total field matches the Fees Currently Assessed amount on the PAYOFF FUNDS PANEL screen.
36. For Fee Type 036, CORP ADV 1 GENERAL, do the following.
- A. Enter S in the blank field to select that Fee Type.

Fee Type	Description	Total
036	CORP ADV 1 GENERAL	-326.75
040	EXPENSE ADVANCES	-3919.00
041	REPT INT ON FEES	-285.20
163	CORP ADV 2 PFLOOD	-8144.97
165	CORP ADV 4 PFINS	-2516.32



- B. Click **Submit**.
- C. The **CUST/FEES - DETAIL** screen for that Fee Type will display.

Previous	Current	Next	867 11/03/2010 3 51.58 PM ETPFSP245		2 4 5 6
CUST/FEES - DETAIL			Account	Namekey	
Type			Description		
Total Amort	Fee Payment	0.00	Total Fee Type	Reconable	-326.75
Assess Date	Fee Amt	Last Act	Remain Bal	AMOUNT	LD-10-DT
03/19/10	-10.75	00/00/00	-10.75	0.00	00/00/00
06/07/10	-95.00	00/00/00	-95.00	0.00	00/00/00
06/17/10	-55.00	00/00/00	-55.00	0.00	00/00/00
07/26/10	-43.75	00/00/00	-43.75	0.00	00/00/00
09/01/10	-10.75	00/00/00	-10.75	0.00	00/00/00
09/13/10	-10.75	00/00/00	-10.75	0.00	00/00/00
09/19/10	90.00	00/00/00	-90.00	0.00	00/00/00
10/08/10	-10.75	00/00/00	-10.75	0.00	00/00/00
Message			OK	INQUIRY ONLY	BOTTOM
Command			Submit	Reset	Print All

- D. Print the screen.
 - E. Click **Return**.
37. Repeat the previous step for each remaining Fee Type listed on the **CUST/FEES - REVIEW OUT-STANDING FEES** screen.
- If no **CUST/FEES - DETAIL** dates are prior to 3/1/2009, continue to the next step.
 - If any **CUST/FEES - DETAIL** dates are prior to 3/1/2009, do the following.
 - A. Go into the Business Objects application.
 - B. Click on the **Document List** tab.
 - C. Navigate to the OKC Shared drive.



D. Double-click on the InCite Activity History – Including Archive report.

The screenshot shows the Business Objects InfoView interface. A search filter 'InCite' is applied. The table below lists the search results:

Title	Folder	Last Run	Type	Owner	Instances
Account Info (note)	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
Account info by VRI (note)	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	Administrator	0
inCite / account Status Error Actual Number	Public Folders\Vericrest Shared\OCC S		Web Intelligence Report	Administrator	0
InCite Activity History Including Archive	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite Activity History Including Archive	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite Activity History Including Archive Multiple Accounts	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite note report	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite note report	Public Folders\Vericrest Shared\OCC S		Web Intelligence Report	mbarnes	0
InCite Work Log Notes Including Archive	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite Work Log Notes Including Archive	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
InCite Work Log Notes Including Archive Multiple Accounts	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0
Old CITI Number Account Info (note)	Public Folders\Vericrest Shared\OCC S		Desktop Intelligence Report	mbarnes	0

- E. At the next screen that displays, click Refresh Data.
- F. Enter the account number for which to run the report.
- G. Click Run.
- H. When the generated report displays, save the report as an Excel spreadsheet.
- I. Delete Row 1 and Column A.



K. Review the Tran Amt column of the InCITE Activity History – Including Archive report for that amount.

Account Number	Name	Transmittal Date	Group	Post Date	Effective Date	Due Date of Payment	Number of Payments	Tran Amt	Amnt Applied to Principal	Amnt Applied to Int	Amnt Applied to FPI	Amnt Applied to Late Charges	Amnt Applied to Escrow	Amnt Applied to RA	Amnt Applied to Loan Payoff
1	VERICREST														
2	VERICREST														
3	VERICREST														

L. For Fees Types 163, 164 and 165, InCITE Work Log Notes-Including Archive History should be referenced, if necessary, to review and verify transaction details Repeat steps A-I to generate the InCITE Work Log Report.

BUSINESSOBJECTS INFOVIEW

Home Documents List Open - 5/27/11 - Dashboards - Help Preferences About Log Out

Organization - Actions - Search type - Exact

AR	Title	Folder	Last Run	Type	Owner	Instances
Searches result for "INCITE" in "OLC Shared"	Account Info (include)	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	mbarnes	0
My Favorites	Account Info by VBI (include)	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Inbox	INCITE Account Status Error - account number	Public Folders\Vericrest Shared\OLC \$		Web Intelligence Report	Administrator	0
Report Samples	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Vericrest Production	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Vericrest Shared	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Accounting Share	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Compliance Share	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Homeowner Share	INCITE Activity History Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Mailbox Shared	INCITE Activity History Including Archive - Multiple Accounts	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Microsoft	Include note report	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Acting	Include note report	Public Folders\Vericrest Shared\OLC \$		Web Intelligence Report	Administrator	0
AML Test Data	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
ADDIT	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
BL	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Cur Serv	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
ESCRON	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
FC	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
HL COLLECTIVE	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
HL Loss Act	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Internal Audit	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Loan Binding	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Property Prep	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
REO	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Reporting	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0
Vericrest Core	INCITE Work Log Notes Including Archive	Public Folders\Vericrest Shared\OLC \$		Desktop Intelligence Report	Administrator	0

Total 12 objects



54. Double-check all figures from the screen prints, all calculations, and all entries on the affidavit to ensure that all are correct.
55. Assemble a package of the completed affidavit and all screen prints.
56. After completing the fields in the document, determine if the affidavit requires notarization
 - If the affidavit does not require notarization, do the following.
 - A. Sign the affidavit
 - B. Continue to the next step.
 - If the affidavit requires notarization, refer to Vericrest's Notarization Policy and Process, which is located on the Policies and Procedures tab, Policies and Procedures folder, Legal subfolder on the intranet, to ensure that state-specific notarization requirements are met.
 - A. Sign and complete the affidavit in the presence of a Vericrest (employee of Vericrest) notary in accordance with Vericrest's Notarization Policy and Process and state-specific notary requirements.
 - B. Ensure that the signed affidavit is then notarized by Vericrest's (employee of Vericrest) notary while the signer of the affidavit remains in the presence of the notary. The signed affidavit must be notarized in accordance with Vericrest's Notarization Policy and Process.
 - C. Confirm that each of the Key Process Steps of Vericrest's Notarization Policy and Process has been satisfied and is in accordance with state-specific notarization requirements.
57. Upload a copy of the signed (and notarized, if applicable) affidavit and all supporting documentation to DocuLogic.
58. Forward the original signed (and notarized, if applicable) affidavit to the LPS Onsite Service Assistant for forwarding to the attorney, per LPS procedure documentation.



Validating a "Pre-filled" Affidavit

NOTE: The order in which the data is validated may differ from that presented below, depending on the format of the actual affidavit.

When the FC/BK Specialist receives "Pre-filled" affidavit is received from the LPS Onsite Service Assistant, the FC/BK Specialist does the following.

1. Review the printed Pre-filled affidavit.
2. Go into the referenced account in Fiserv.
3. Print all screens with the appropriate dates, as set forth in the Completing a "Blank" Affidavit section above.
4. Validate all loan and debt-related data and calculations in the affidavit against the data in Fiserv, as set forth in the Completing a "Blank" Affidavit section above.
 - If all data is correct in the affidavit, proceed to the next step.
 - If any data is not correct in the affidavit, do the following.
 - A. Strike through the incorrect data on the affidavit.
 - B. Write in the correct data.
 - C. Notate the reason(s) for the corrections on the LPS cover sheet that accompanied the affidavit.
 - D. Call the attorney and explain the corrections.
 - E. In the LPS System, reject the affidavit and utilize the Intercom function to provide the rejection reason.
 - F. When a revised affidavit is received from the attorney, repeat this step until all information on the affidavit is correct.
5. Assemble a package of the correct affidavit and all screen prints, as set forth in the Completing a "Blank" Affidavit section above.
6. Sign the affidavit and have it notarized, if applicable, as set forth in the Completing a "Blank" Affidavit section above.



7. Provide the affidavit/screen print package to another FC/BK Specialist for complete review, as set forth in the Completing a "Blank" Affidavit section above.
8. Upload a copy of the signed (and notarized, if applicable) affidavit and all supporting screen prints to DocuLogic, as set forth in the Completing a "Blank" Affidavit section above.
9. Forward the original signed (and notarized, if applicable) affidavit to the LPS Onsite Service Assistant for forwarding to the attorney.

Bidding at Senior Sale

If it is determined that Vericrest will bid at the senior lien foreclosure sale, the FC Specialist takes the following actions.

1. Send a referral package to a designated vendor via their website requesting that the attorney attend the foreclosure sale on Vericrest's behalf. Include the following in this referral package:
 - Senior lien foreclosure sale notice
 - Wire instructions sheet
 - Wire/Bidding instructions
 - Account Number, Principle Balance, Past Due Amounts, Loan Terms, Payoff Amount
 - Customer Name, Social Security Number, Property and Mailing Addresses
2. Prior to the senior lien sale date, send a wire request along with a copy of the foreclosure bidding instructions worksheet to the Accounting group for the processing of the wire request and the transmission of the funds to the assigned attorney.

Foreclosure Cash Posting (Derog Queue)

During the course of the foreclosure action, the Cashiering group may place funds received from the customer into the Foreclosure Derog Queue based on the account's warning code. When this occurs, the FC Specialist takes one of the following actions.

Provide Posting Advice

1. Go to the Command Line and type **CUS TRA QUE**.



FORECLOSURE MANUAL

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Scope

The policy(ies) and procedure(s) contained in this document apply to:

- mortgage loans serviced by Vericrest Financial, Inc. ("Vericrest") which are involved in foreclosure action,
- the staff of Vericrest's Foreclosure Department.

Effective Date

The effective date of this revision is August 1, 2011.

General

Foreclosure

Foreclosure (FC) is a legal proceeding by which the property mortgaged as security for a loan is sold to pay the customer's outstanding debt. Foreclosure terminates the rights of all persons in the property subject to default and allows Vericrest to acquire marketable title to the property. Foreclosure is a time-consuming and costly process, which should only be pursued after all collections and loss mitigation efforts have been exhausted.

Systems

Vericrest's Foreclosure Department utilizes the following systems:

- Fiserv (Vericrest's servicing system, which houses all loans, both in and out of foreclosure status),
- Lender Processing Services (LPS) (the default application owned by Lender Processing Services (LPS) Default Solutions (LPSDS), which tracks foreclosure milestones and ancillary processes), and
- DocuLogic (Vericrest's imaging system, which contains copies of collateral and loan files).

Vericrest also utilizes the services of Lender Processing Services (LPS) Default Solutions (LPSDS), a third party foreclosure/bankruptcy processing vendor, who works with Vericrest's local attorneys, the customer's/debtor's foreclosure/bankruptcy attorneys, and the courts. Some LPSDS employees work onsite with the Vericrest's foreclosure/bankruptcy staff members, and LPSDS also has offsite staff who are involved in the process.



Affidavits

When an affidavit is required from Vericrest in attestation of specific details or figures related to a loan, Vericrest's foreclosure attorney prepares the affidavit in accordance with the legal requirements of the venue of the foreclosure. Foreclosure counsel then sends the affidavit to Vericrest via the LPS Process Management system. The LPS Onsite Service Assistant prints the affidavit and forwards it to the appropriate FC Specialist assigned to that state for completion or validation.

There are two types of affidavits completed by Vericrest FC Specialists:

- **Information Affidavit:** Vericrest's foreclosure counsel may provide Vericrest with an **information affidavit** with loan-specific information which will require the validation of certain loan information. Information affidavits require Vericrest's FC Specialist to validate particular loan information in the affidavit and provide Vericrest supporting system screen shots as added back-up documentation to attest to any corrections or additions added to the affidavit.
- **Calculation Affidavit:** Vericrest's foreclosure counsel alternatively may provide Vericrest with a **calculation affidavit** which will require the validation of figures or determining the total amount due by the borrower. Calculation affidavits require Vericrest's FC Specialist to validate or calculate the loan-specific figures of the affidavit and provide Vericrest supporting system screen shots as added back-up documentation to attest to any corrections or additions added to the affidavit.

NOTE: Any calculated affidavit without a good through date, or with a good through date within three weeks, must be validated with the attorney as accurate before the affidavit is worked.

IMPORTANT: States have different regulations regarding the execution of affidavits. Vericrest relies on its foreclosure counsel to advise it on the particulars of each affidavit.

Policies

- The Foreclosure Department complies with all applicable local, state and federal foreclosure laws and regulations.
- The Foreclosure Department complies with the related requirements of the Home Affordable Modification Program (HAMP) and the Home Affordable Foreclosure Alternatives (HAFA) program.



- Vericrest assumes the ultimate responsibility for the compliance of its foreclosure/bankruptcy processing vendor to all applicable local, state and federal foreclosure and bankruptcy laws and regulations.
- Appropriate foreclosure processing vendor employees may be granted access to Vericrest's servicing system and other necessary systems upon approval by the Vice President of Default Operations or above.
- Local attorneys to be retained on behalf of Vericrest must first be approved by the Senior Vice President of Default Operations or above.
- Vericrest requires that foreclosure counsel bi-annually certify compliance with all applicable state and federal laws in conducting foreclosure-related activities for Vericrest. This certification is coordinated with Vericrest's Vendor Management Office.
- Vericrest also requires that all foreclosure staff bi-annually certify compliance with all applicable state and federal law in notarizing any document in connection with Vericrest.
- All foreclosure staff will certify annually that they have read and understand the foreclosure procedures, both in this document and in the State Supplements published on the intranet.
- The execution of foreclosure affidavits will be performed by select Vericrest employees, trained in the review and validation of figures entered into the affidavit, and authorized by Vericrest Servicing Management to perform this task.
- Persons authorized to execute foreclosure affidavits include Vericrest's FC Specialists, the Assistant Vice President of Default Operations, the Vice President of Default Operations, the Senior Vice President of Default Administration, and Legal Department designees.
- Prior to executing foreclosure affidavits, authorized persons will validate the figures and will take screen shots as back-up for the figures, which will be uploaded to DocuLogic and audited by the Quality Control Department.
- Anyone signing a foreclosure affidavit without carefully reviewing the customer's file personally will be subject to disciplinary action.



SERVICING POLICIES AND PROCEDURES

Document: **Foreclosure Manual**

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- The Foreclosure Department is responsible for ensuring that loans with mortgage insurance/private mortgage insurance are processed in adherence to the applicable mortgage insurance carrier's rules and requirements (see Appendix A, MI Carrier Foreclosure Guide).
- All work must be documented in either Fiserv or LPS.



- If the account is less than 90 days past due, do the following.
 - A. Verify that there are no unapplied funds.
 - B. Once verified, enter Y in the Enter Message (Y/N) field.
 - C. Click **Submit**.
 - If the balance of the account is over \$200,000, follow the applicable steps above.
 - If the balance is less than \$200,000, send the loan to the Loss Mitigation Department for charge-off review.

Processing Foreclosure Affidavits

General

Foreclosure affidavits and related documents are completed by FC Specialists. Each Monday, a FC Representative updates the file and saves it in S:\Foreclosure\Affidavits. This file lists all open affidavit items, along with fields showing who the item is assigned to and where in the process the document is (for example, with QC, still in process, sent to attorney, etc.). As the FC Specialists work these items, they identify and close any duplicate items.

Refer to the Affidavits section of this document for general information regarding information and calculation affidavits.

Affidavit Completion Resources

The following are resources used to complete affidavits:

- Fiserv - verify information and obtain copies of letters sent to borrower
- LPS Desktop - obtain affidavits, review packages and loan documents
- DocuLogic - obtain or verify note, mortgage, assignment, etc.
- Investor Matrix - verify vesting information or plaintiff name
- Affidavit Website (<http://dev-affidavitinformation/>) - verify information and calculate figures
- Nitro PDF - make edits to uploaded affidavits in LPS



- Affidavit Calculator - calculate figures and breakdown fees and advances
- Quality Control Spreadsheets – completed and executed affidavits are submitted for review by QC
 - New Affidavits for Review spreadsheet
 - Completed Affidavits spreadsheet.

Completing an “Information” Affidavit

NOTE: The order in which the data is validated may differ from that presented below, depending on the format of the actual affidavit.

When the FC Specialist receives the printed “information” affidavit from the LPS Onsite Service Assistant, the FC Specialist does the following.

1. Review the account in Fiserv and confirm that the foreclosure is still active.
2. Review the account in LPS and ensure that the foreclosure is still active and that the affidavit signature required process is still open.
3. Review the case caption in LPS to ensure that the plaintiff and defendant information is correct (if applicable).

NOTES: The Plaintiff name can be verified through the investor matrix by cross-referencing the investor number in Fiserv (CUS LOAN) or the Affidavit Website (Account Level Information). If plaintiff name is incorrect, contact the attorney office to determine if the plaintiff name can be changed or must remain the same. If it cannot be changed, print out the correspondence from attorney office as it will be used as your back-up to support this.

The Defendant name can be verified through Fiserv (CUS LOAN) or the Affidavit Website (Account Level Information).

4. Ensure that the state and county execution block is filled accordingly based on where the affidavit is being executed (for example, STATE OF CALIFORNIA, COUNTY OF SAN DIEGO).
5. The first line of the affidavit will contain a blank field where the person completing the affidavit is to enter their name. The verbiage will state that the named person is



attesting to personal knowledge of the account for which the affidavit is being executed.
Enter your name in this field.

6. The affidavit will also contain a second blank field where the person completing the affidavit is to state their position within the company. Ensure that the verbiage states your particular position with Vericrest Financial, Inc. and not another entity, as FC Specialists are not employed by any other entity.
7. Thoroughly go through each paragraph of the affidavit. If any of the paragraphs contain specifics about the loan, verify the information within the systems noted above.
IMPORTANT: Be sure to print screens or copies of documents used to verify the information in the affidavit. Those screen prints and copies will be attached to the affidavit as back-up documentation.
 - **Note/Mortgage information** – Review the following:
 - Fiserv - DIS ORIGIN screen
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
 - DocuLogic - Copies of note/mortgage
 - Contact the attorney's office for information that is unavailable.
 - **Assignment information** – Review the following:
 - We trust our attorneys to provide the correct information.
 - DocuLogic - Copies of the assignment
 - LPS - Copies of the assignment
 - Contact the attorney's office for copies of recorded assignments that are unavailable in Vericrest's systems.
 - **Borrower information** – Review the following:
 - Fiserv - CUS LOAN screen
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
 - DocuLogic - Copies of the note/mortgage



- **Loan information** – Review the following:
 - Fiserv - CUS LOAN and DIS ORIGIN screens
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
 - **Foreclosure information** – Review the following:
 - Fiserv - FCL INFO and FCL WORK screens
 - LPS - Foreclosure processes, process steps, etc.
 - Contact the attorney's office for any documents or information.
 - **Letter information** – Review the following:
 - Fiserv - View documents button
 - DocuLogic - Copies of demand letters, borrower correspondence, Loss Mitigation agreements, etc
 - LPS - View docs
 - FMC Website - Copies of demand letters, borrower correspondence, Loss Mitigation agreements, etc.
 - Contact the attorney's office for any letters.
 - If unable to locate demand letters, open 760 CIT in Fiserv to request a copy of the demand letter from the Collections Department.
 - **Military Status information** – Review the following:
 - SCRA website - <https://www.dmdc.osd.mil/appj/scra/scraHome.do>
 - **Loss Mitigation information** – Review the following:
 - Some affidavits relate to loss mitigation efforts. Open a CIT 716 and route it to the Loss Mitigation Department. Once Loss Mitigation provides the detail, finish completing the affidavit.
8. Determine if the affidavit is also a certification. **NOTE:** Some affidavit types are certifications. For example, in New York, the certification is a 'Lippman affidavit'; in New Jersey and Florida, it is a certification or validation. The attorney will include copies of



the documents that need to be reviewed along with the affidavit/verification/certification. In the body of the document, the attorney will include a checklist of the items to be validated. Listed below is a sample of the types of documents that may be included for validation by the FC Specialist:

- Note
 - Mortgage
 - Account History
 - Summons and Complaint
 - Affidavit of Fact
 - Demand letters
 - Other state-specific affidavits.
9. Determine if any revisions need to be made to the affidavit.
- If all information is correct, continue to the next step.
 - If any information is incorrect, make the revisions on the affidavit by using Nitro PDF or contact the attorney office to correct, and then continue to the next step.
10. Once the document has been completed, sign and notarize it (if applicable).
11. Submit, by US Mail, the affidavit and the back-up documentation to Quality Control for review and approval.
12. Enter the item information in the New Affidavits for Review spreadsheet in S \Quality Control\Affidavit Audit.
13. Periodically, review the Completed Affidavits spreadsheet in S:\Quality Control\Affidavit Audit to determine if the affidavit has been approved to send out.
- If the affidavit has a finding, review the finding with the Foreclosure AVP. The Foreclosure AVP will discuss the finding with the Quality Control Department until a resolution is reached.
 - If the affidavit has been approved, submit the affidavit to the LPS Onsite Service Assistant, who will send it to the attorney and update the affidavit tracking file.



Completing a "Calculation" Affidavit

NOTE: The order in which the data is validated may differ from that presented below, depending on the format of the actual affidavit. The first few steps of this procedure mimic the "Completing an Information Affidavit" procedure.

When the FC Specialist receives the printed "Calculation" affidavit from the LPS Onsite Service Assistant, the FC Specialist does the following.

1. Review the account in Fiserv and confirm that the foreclosure is still active.
2. Review the account in LPS and ensure that the foreclosure is still active and the affidavit signature required process is still open.
3. Review the case caption in LPS to ensure that the plaintiff and defendant information is correct (if applicable).

NOTES: The Plaintiff name can be verified through the investor matrix by cross-referencing the investor number in Fiserv (CUS LOAN) or the Affidavit Website (Account Level Information). If plaintiff name is incorrect, contact the attorney office to determine if the plaintiff name can be changed or must remain the same. If it cannot be changed, print out the correspondence from attorney office as it will be used as your back-up to support this.

The Defendant name can be verified through Fiserv (CUS LOAN) or the Affidavit Website (Account Level Information).

4. Ensure that the state and county execution block is filled accordingly based on where the affidavit is being executed (for example, STATE OF CALIFORNIA, COUNTY OF SAN DIEGO).
5. The first line of the affidavit will contain a blank field where the person completing the affidavit is to enter their name. The verbiage will state that the named person is attesting to personal knowledge of the account for which the affidavit the affidavit is being executed. Enter your name in this field.
6. The affidavit will also contain a second blank field where the person completing the affidavit is to state their position within the company. Ensure that the verbiage states your particular position with Vericrest Financial, Inc. and not another entity, as FC Specialists are not employed by any other entity.



7. Thoroughly go through each paragraph of the affidavit. If any of the paragraphs contain specifics about the loan, verify the information within the systems noted above.

IMPORTANT: Be sure to print screens or copies of documents used to verify the information in the affidavit. Those screen prints and copies will be attached to the affidavit as back-up documentation.

- **Note/Mortgage information** – Review the following:
 - Fiserv - DIS ORIGIN screen
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
 - Doculogic - Copies of Note/Mortgage
 - Contact the attorney's office for information that is unavailable.
- **Assignment information** – Review the following:
 - We trust our attorneys to provide the correct information
 - Doculogic - Copies of the assignment
 - LPS - Copies of the assignment
 - Contact the attorney's office for copies of recorded assignments that are unavailable in Vericrest's systems.
- **Borrower information** – Review the following:
 - Fiserv - CUS LOAN screen
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
 - Doculogic - Copies of the note/mortgage
- **Loan information** – Review the following:
 - Fiserv - CUS LOAN and DIS ORIGIN screens
 - Affidavit Website - ACCOUNT LEVEL INFORMATION tab
- **Foreclosure information** – Review the following:
 - Fiserv - FCL FUNCTION MENU (FCL INFO, FCL WORK, FCL ARC, etc.)



- LPS - Foreclosure processes, process steps, etc.
 - Contact the attorney's office for any documents or information.
 - **Letter information** – Review the following
 - Fiserv - View documents button
 - DocuLogic - Copies of demand letters, borrower correspondence, Loss Mitigation agreements, etc.
 - LPS - View docs
 - FMC Website - Copies of demand letters, borrower correspondence, Loss Mitigation agreements, etc.
 - Contact the attorney's office for any letters.
 - If unable to locate demand letters, open 760 CIT in Fiserv to request a copy of the demand letter from the Collections Department.
 - **Military Status information** – Review the following:
 - SCRA Website - <https://www.dmdc.osd.mil/appj/scra/scraHome.do>.
8. At the portion of the affidavit that requires the calculation of validation of figures, utilize Fiserv and the Affidavit Website to gather the back-up documentation. Print these screens as they will be attached to the affidavit.
- **Fiserv** – Review the following:
 - Force placed fee details screens - FPFLOOD, FPTAX and FPINS
 - Escrow breakdown screen- DIS HISTORY Dsp "esc" screens. If the escrow breakdown does not add up or exceed escrow amount in Fiserv, open CIT 321 to request the escrow breakdown
 - Some affidavits may require the print out of additional screens: PAY QUO screen, NSF FEE detail screens, REPT INT ON FEES detail screens, ADM ADJ screens, etc.
 - **Affidavit Website** – Review the following:
 - Account Level Information



- Total by Fee Type
 - Force Placed Fees
 - Account Fees
 - Escrow Statement or Display History Esc
 - Payoff Quote
9. Utilize the Affidavit Calculator and fill out the fields to assist in calculating the total amount due. Each field has a corresponding screen.
- State - Account Level Information screen will provide this information
 - Loan Information
 - Loan Number and Borrower - Account Level Information screen
 - G/T Date - From the affidavit or can be defaulted to the 15th or end of the month if applicable
 - Per Diem - Payoff Quote from the Affidavit Website
 - Loan Amounts - Payoff Quote from the Affidavit Website
 - Loan Advances - Total by Fee Type screen
 - Loan Deductions - Payoff Quote from the Affidavit Website
 - General Corporate Advances Breakdown - Account Fees screen
 - Miscellaneous Advances are used for items like Certified Mail which sometime maybe included.
 - Other Corporate Advances Breakdown - FPFLOOD, FPTAX, FPINS, Forced Placed Fees screens
 - Escrow/Impound Required Breakdown - DIS HISTORY Dsp "esc", Escrow Statement, Display History Esc screens
10. Validate the figures on the affidavit.
- If the affidavit was pre-filled and all information is correct, continue to the next step.



- If the affidavit was pre-filled and any information is incorrect or if additions need to be made, make the revisions on the affidavit by using Nitro PDF or contact the attorney office to correct. Then, continue to the next step.
 - If the affidavit was blank, fill out the affidavit accordingly. Then, continue to the next step.
11. Once the document has been completed, sign and notarize it (if applicable).
 12. Submit, by US Mail, the affidavit and the back-up documentation to Quality Control for review and approval.
 13. Enter the item information in the New Affidavits for Review spreadsheet in S:\Quality Control\Affidavit Audit.
 14. Periodically, review the Completed Affidavits spreadsheet in S:\Quality Control\Affidavit Audit to determine if the affidavit has been approved to send out
 - If the affidavit has a finding, review the finding with the Foreclosure AVP. The Foreclosure AVP will discuss the finding with the Quality Control Department until a resolution is reached.
 15. If the affidavit has been approved, submit the affidavit to the LPS Onsite Service Assistant, to send to the attorney and update the affidavit tracking file.

Processing Low Value Charge-Off Review Holds

The FC Specialist does the following.

1. Receive the Low Value spreadsheet from management.
2. Open the ongoing spreadsheet at S:/Foreclosure/Walks-Low Value Review.
3. Use an Excel VLOOKUP function to scrub the ongoing list against the new list to determine which loan numbers are new to work.
4. Add the new loan numbers from the VLOOKUP scrub to the existing CIT Walk Review Wksht.
5. Log into CMS.
6. Select **Portfolio Management**.



NOTARIZATION POLICY AND PROCESS

Scope

The policy(ies) and procedure(s) contained in this document apply to:

- employees of Vericrest Financial, Inc. and any of Vericrest Financial, Inc.'s subsidiaries (collectively, "Vericrest") who are duly appointed Notaries Public in Oklahoma, California, Texas or New Jersey ("Notaries" or individually, "Notary");
- employees of Vericrest authorized to sign affidavits and other sworn instruments to be notarized by a Vericrest Notary, including Vericrest's FC / BK Specialists, the Assistant Vice President of Default Operations, the Vice President of Default Operations, the Senior Vice President of Default Administration, and Legal Department designees ("Affiants" or individually, "Affiant"); and
- employees of Vericrest authorized to sign instruments other than affidavits to be notarized by a Vericrest Notary ("Signatories" or individually, "Signatory").

Effective Date

The effective date of this policy is March 21, 2011.

General

Vericrest Notaries are occasionally called upon to act as impartial witnesses to certain transactions and to verify the signature and identity of Signatories and Affiants. For the following reasons, it is imperative that the notarization of any Vericrest Notary complies with relevant state laws:

- A Notary's attestation creates a degree of certainty and integrity that is crucial to the operation of Vericrest's business;
- A Notary's attestation, *where applicable*, confirms that a Signatory or Affiant *has sworn or attested to the contents of the affidavit or other document in the personal presence of the Notary*,



SERVICING POLICIES AND PROCEDURES

Document: **Notarization Policy and Process**

Revision Date: 3/21/2011

- A Notary's attestation confirms that the signature on a notarized document is the Signatory or Affiant's own; and
- A Notary's attestation verifies that the notarized document was signed willingly and without coercion.

Policies/State-law Requirements

- Vericrest requires that foreclosure/bankruptcy counsel bi-annually certify compliance with all applicable state and federal laws in conducting foreclosure-related activities for Vericrest. Vericrest also requires that Foreclosure/Bankruptcy bi-annually certify compliance with all applicable state and federal law in notarizing any document in connection with Vericrest.
- **NOTE:** Vericrest Notaries are only authorized to notarize affidavits and other documents for Vericrest in the following states where Vericrest maintains offices: Oklahoma, California, Texas, and New Jersey. Notarization of an affidavit or other document for Vericrest in states other than Oklahoma, California, Texas, and New Jersey is strictly prohibited.

Oklahoma Notarization Requirements

- **NOTE:** Only persons duly appointed as Notaries Public by the State of Oklahoma are authorized to notarize affidavits and other documents for Vericrest in Oklahoma.
- The following conditions must be satisfied in order for an Oklahoma notarization to be valid:
 - The Notary must determine the identity of the Signatory or Affiant from either personal knowledge or satisfactory evidence. Satisfactory evidence that a person is the person whose true signature is on a document if that person is personally known to the Notary, is identified upon the oath or affirmation of a credible witness personally known to the Notary, or is identified on the basis of government-issued identification documents.



- For affidavits and other sworn documents, the Notary must administer an oath or affirmation to the Affiant and the Affiant must swear or attest to the contents of the affidavit through oath or affirmation.

NOTE: While verbal administration of an oath or affirmation by the Notary is not required in Oklahoma, Vericrest policy requires that an oath or affirmation be administered by the Notary prior to execution and notarization of an affidavit or other sworn instrument.

- The Signatory or Affiant must appear before the Notary when signing.
- The Notary must verify that the signature on the instrument is that of the Signatory or Affiant.

California Notarization Requirements

- **NOTE:** Only persons duly appointed as Notaries Public by the State of California are authorized to notarize affidavits and other documents for Vericrest in California.
- The following conditions must be satisfied in order for a California notarization to be valid:
 - The Notary must determine from personal knowledge or satisfactory evidence that the Signatory or Affiant is the person executing the affidavit or document.
“Satisfactory evidence” means:
 - the absence of any information, evidence, or other circumstances that would lead a reasonable person to believe that the person making the acknowledgment is not the individual he or she claims to be, and
 - the oath or affirmation of a credible witness personally known to the officer, whose identity is proven to the Notary upon presentation of a valid California driver’s license or passport issued by the Department of State of the United States, that the person making the acknowledgment is personally known to the witness and that each of the following are true:
 - The person making the acknowledgment is the person named in the document.
 - The person making the acknowledgment is personally known to the witness.



SERVICING POLICIES AND PROCEDURES

Document: **Notarization Policy and**

Process

Revision Date: 3/21/2011

- That it is the reasonable belief of the witness that the circumstances of the person making the acknowledgment are such that it would be very difficult or impossible for that person to obtain another form of identification.
- The person making the acknowledgment does not possess a valid California driver's license or passport issued by the Department of State of the United States.
- The witness does not have a financial interest in the document being acknowledged and is not named in the document.
- For affidavits and other sworn documents, the Notary must administer an oath or affirmation to the Affiant and the Affiant must swear or attest to the contents of the affidavit through oath or affirmation.
- The Signatory or Affiant must personally appear before and sign the instrument in the presence of the Notary.
- If applicable, the Notary must use a jurat in the following form:

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 20__ , by _____ , personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

- The Notary must then sign the instrument in his or her handwriting.

Texas Notarization Requirements

- **NOTE:** Only persons duly appointed as Notaries Public by the State of Texas are authorized to notarize affidavits and other documents for Vericrest in Texas.



- The following conditions must be satisfied in order for a Texas notarization to be valid:
 - The Notary must determine the identity of the Signatory or Affiant from either personal knowledge or satisfactory evidence.
 - The Signatory or Affiant must personally appear before the Notary.
- NOTE:** Although Texas does not require affidavits to be signed in the presence of the Notary, Vericrest policy requires that any notarized affidavit or document be signed in the presence of the Notary.
- For affidavits and other sworn documents, the Notary must administer an oath or affirmation to the Affiant and the Affiant must swear or attest to the contents of the affidavit through oath or affirmation.

New Jersey Notarization Requirements

- **NOTE:** Only persons duly appointed as Notaries Public by the State of New Jersey are authorized to notarize affidavits and other documents for Vericrest in New Jersey.
- The following conditions must be satisfied in order for a New Jersey notarization to be valid:
 - The Signatory or Affiant must personally appear before and sign the instrument in the presence of the Notary.
 - For affidavits and other sworn documents, the Notary must administer an oath or affirmation to the Affiant and the Affiant must swear or attest to the contents of the affidavit through oath or affirmation.
 - When executing a jurat, acknowledgement, or other sworn instrument, a Notary must be satisfied that the person who made the acknowledgment was the maker of or witness to the instrument.
 - The Notary shall sign a certificate stating that: (1) that the maker or the witness personally appeared before the officer; (2) that the officer was satisfied that the person who made the acknowledgment or proof was the maker of or the witness to the instrument.



Key Process Steps

1. A Vericrest Notary must be approved by their senior manager before notarizing any affidavit or other document requiring notarization. In particular, the senior manager must confirm that the Notary satisfies the following requirements:
 - The Notary is duly appointed by the jurisdiction in which the notarization is to take place; and
 - The Notary's appointment by the jurisdiction in which the notarization is to take place is current.
2. The Signatory or Affiant must personally appear before the Vericrest Notary prior to the notarization of any instrument.
3. Upon presentation of an affidavit or document to be notarized, the Notary must first determine from personal knowledge or satisfactory evidence that the Signatory or Affiant is the person executing the instrument
4. For affidavits and other sworn instruments:
 - A. The Notary must personally administer an oath or affirmation to the Affiant by which the Affiant swears and attests to the contents of the affidavit.
 - B. The Affiant must then acknowledge and assent to the oath or affirmation.
5. The Signatory or Affiant must then sign the instrument in the presence of the Notary.
6. For affidavits and other sworn instruments:
 - A. After the Affiant signs the instrument, the Notary must complete the jurat, verification or other attestation prepared by foreclosure or bankruptcy counsel. The jurat, verification or other attestation should meet any state-specific requirements.
7. The instrument should then be *properly* notarized while the signer of the affidavit or document remains in the *personal* presence of the Notary.
8. If required by the notary laws of the jurisdiction in which the notarization took place, the Notary will then record the details of the notarization and in his or her Notary Journal.



Record of Revisions

The table below provides a very brief description of change(s) that have been made to this document and the date of these change(s). Unless otherwise noted, the revision date of this document is also the effective date of the change(s). All published revisions have the prior approval of the appropriate level(s) of management

NOTE: Newly revised material in this document is shown in italics.

Revision Date	Description of Changes
3/21/2011	Revised the wording in the second bullet under the General section (pg 1) and step 7 of the Key Process Steps section (pg 6).
3/11/2011	Revised to add a bullet regarding bi-annual certification of compliance (pg 2).
3/2/2011	Revised to add small verbiage additions to Steps 5 and 7 on page 7.
2/9/2011	Revised to expand the content to include other documents that require notarization by Vericrest (formerly entitled, Affidavit Notarization Policy and Process).
1/17/2011	First publication of this document for Vericrest Financial, Inc



AFFIDAVIT REVIEW POLICY AND PROCEDURE

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Scope

The policies and procedures contained in this document apply to:

- Any foreclosure affidavit or similar document with calculations or any notarized foreclosure affidavit or similar document that is to be submitted to a court (not including notarized documents sent for recording) submitted for review to the Quality Control Department of Vericrest Financial, Inc. ("Vericrest");
- the staff of Vericrest's Foreclosure and Quality Control Departments.

Effective Date

The effective date of this policy is August 1, 2011.

General

The purpose of this document is to describe the policies and procedures for reviewing foreclosure affidavits/documents for accuracy, completeness, and proper execution.

Policy

- The Foreclosure Department will complete, sign, date, and obtain notarization, as necessary and as applicable, foreclosure affidavits and similar documents ("documents") to be submitted to a court as part of the foreclosure process.
- The Quality Control (QC) Department will review (for accuracy of borrower, property, investor and financial data) all foreclosure affidavits and similar documents ("documents") with calculations or any notarized foreclosure document to be submitted to a court (not including notarized documents sent for recording) prepared by the Foreclosure Department.
- A Quality Control Analyst will audit each document to ensure that it has been calculated accurately, signed, dated, and notarized properly, as applicable.
- A Quality Control Analyst must notate a document as having no exceptions before that document may proceed through the foreclosure process.
- Documents submitted by the Foreclosure Department for review by QC will be uploaded to DocuLogic for QC review and should include the completed affidavit/document,



screenshots, and other documentation providing back-up for the data included on the document. NOTE: Fiserv is Vericrest's servicing system of record and will be utilized as the source system for amount data whenever possible.

- All documents will be tracked via the New Affidavits for Review and the Completed Affidavits spreadsheets (refer to Appendix A, Affidavit Tracking Spreadsheets) and reviewed by QC utilizing the Affidavit Review Checklist, Appendix B. NOTE: Read/Write access to the spreadsheets is limited to selected Foreclosure Department and Quality Control Department staff members.
- QC will perform document audits and will update the tracking spreadsheets on a daily basis when possible and as new documents are submitted by the Foreclosure Department.
- Foreclosure Department staff will monitor the Completed Affidavits spreadsheet for QC findings and, consequently, whether a document is approved for submission to the court or whether a document requires remediation.

Procedure

Foreclosure Department

For each foreclosure affidavit or similar document ("document") with calculations or any notarized foreclosure document to be submitted to a court, the authorized Foreclosure staff member does the following.

1. Upload a file containing the completed document and supporting documentation to DocuLogic, naming the file so that it is easily identified by the Quality Control Department staff.
2. Open the New Affidavit spreadsheet, located at S:/Quality Control/Affidavit Audit/New Affidavits for Review. (See also Appendix A, Affidavit Tracking Spreadsheets.)
3. For each document to be reviewed, enter the following information on the spreadsheet:
 - account number
 - last name of the borrower



- property state
 - date submitted (should correspond to the date of the document file uploaded to DocuLogic)
 - name of the document
 - whether the document was previously reviewed by QC, and
 - The name of person submitting the document.
4. When all documents have been uploaded to DocuLogic and listed on the spreadsheet, save and close the spreadsheet.

Quality Control Department

Authorized Quality Control Staff Member

Periodically throughout the day, the authorized Quality Control staff member determines if there are new documents to be reviewed, as follows.

1. Open the Completed Affidavits spreadsheet, located at S:/Quality Control/Affidavit Audit/Completed Affidavits.
2. Open the New Affidavits for Review spreadsheet to determine if there are any new listings. NOTE All documents listed on this spreadsheet are newly submitted documents for review (may be corrected documents submitted for new QC review).
 - If there are no new listings, continue to the next step.
 - If there is a new listing, do the following for each item.
 - A. Go to the Completed Affidavits spreadsheet
 - B. Click on the **New** tab
 - C. At the bottom of the tab, copy the item's information from the New Affidavits for Review spreadsheet into the appropriate columns.
 - D. Delete the item from the New Affidavits for Review spreadsheet.
 - E. Save and close the New Affidavits for Review spreadsheet.



- F. Assign the document to a Quality Control Analyst for review.
- G. In the Completed Affidavits spreadsheet, on the New tab, enter the following additional information:
 - Date received (date entered on New Affidavits for Review spreadsheet)
 - Audited by (assigned QC auditor name).
- H. Save the spreadsheet
- I. Continue to the next step

Quality Control Analyst

- 3. Open the Completed Affidavits spreadsheet.
- 4. Go to the New tab and locate the item to be reviewed.
- 5. Locate and open the file in DocuLogic.
- 6. Review the document and supporting documentation.
- 7. Review the document per Appendix B, Affidavit Review Checklist.
 - If the document has no exceptions, do the following
 - A. On the New tab, make the appropriate informational entries for that account and document.
 - B. In the QC Dept. Errors Found cell, click the dropdown arrow and select **No** (no exceptions)
 - The authorized Quality Control staff member will do the following.
 - 1) Take note of the item that has no exception(s).
 - 2) Go to the Review Data tab that is applicable to the number of reviews that the document has received.
 - 3) Locate that account's line number.
 - 4) Cut all information for that account and paste it into the corresponding line on the **Affidavit Tracker** tab.



- 5) On the Affidavit Tracker tab, in the applicable Date Received [X] Review cell, enter the date that the QC audit was received.
- 6) Hyperlink the date to the account number on the applicable Review Data tab
- 7) In the [X] Review Results cell, enter **No Exception**.

C. Proceed to Step 8

- If the document has one or more exceptions, do the following
 - A. On the New tab, make the appropriate informational entries for that account and document.
 - B. In the QC Dept Errors Found cell, click the dropdown arrow and select **Yes** (exception).
 - C. In the Inconsistencies Found by QC Dept cell, detail the exception(s) found
 - The authorized Quality Control staff member will do the following
 - 1) Take note of the item that has no exception(s).
 - 2) Go to the Review Data tab that is applicable to the number of reviews that the document has received.
 - 3) Locate that account's line number.
 - 4) Cut all information for that account and paste it into the corresponding line on the **Affidavit Tracker** tab.
 - 5) On the Affidavit Tracker tab, in the applicable Date Received [X] Review cell, enter the date that the QC audit was received.
 - 6) Hyperlink the date to the account number on the applicable Review Data tab
 - 7) Make no entry in the [X] Review Results cell.
 - 8) Apply green formatting (to indicate an exception) to the Date Received and Review Results cell



D. Continue to the next step.

8 Repeat the above process for all other assigned items pending review and approval.

Authorized Quality Control Staff Member

9. Review the Completed Affidavits spreadsheet for any comments by Foreclosure Department management.

- If the Foreclosure AVP agrees with the exception, the Foreclosure Analyst will place a corrected document into DocuLogic and enter the item on the New Affidavits for Review spreadsheet as for a new document to be reviewed.
- If the Foreclosure AVP does not agree with the exception, the Foreclosure AVP will enter **No** in the FC Manager Agree/Disagree column (column Q), and will enter applicable comments. Do the following. **NOTE** The document remains in an Exception Disputed status until a consensus on the result is met with Foreclosure management and Quality Control.

A. In the Review Results cell, enter **Exception Disputed**.

B. Contact the Foreclosure Department AVP to discuss the exception(s).

➤ If Foreclosure management accepts Quality Control's reasoning, do the following.

A. In the Review Results cell, enter **Exception Agreed**.

B. Continue to the next step.

➤ If Quality Control accepts Foreclosure management's reasoning, do the following.

A. In the Review Results cell, enter **No Exception**.

B. Continue to the next step.

10. Repeat the above process for all other items.

11. When all entries have been made, save and close the Completed Affidavit spreadsheet.



Foreclosure Department

Periodically, the Foreclosure Analyst reviews the Completed Affidavits spreadsheet to determine QC's findings on a submitted document, as follows.

1. Open the **Completed Affidavits** spreadsheet, located at S/Quality Control/Affidavit Audit/Completed Affidavits.
2. Go to the **Affidavit Tracker** tab. NOTE: Only the documents for accounts listed on this tab are considered to have this review and its findings completed.
3. Locate the applicable account line item.
4. Review the applicable **Review Results** column.
 - If the Review Results column displays "No Exception," no changes need be made to the document and it may continue through the foreclosure process. Continue to the next step.
 - If the Review Results column is blank but has green formatting, QC deemed the document to have one or more exceptions. Do the following.
 - A. Click the date hyperlink in the latest **Date Received** column. The applicable **Review Data** tab will open at that account number.
 - B. Review the **Inconsistencies Found by QC Dept** cell to obtain QC's finding(s).
 - C. Create a corrected document and restart the review process as for a new, first-review document.
5. Close the spreadsheet.
6. Continue with the account's foreclosure processing.



Appendix A – Affidavit Tracking Spreadsheets

New Affidavit Spreadsheet

Applicable foreclosure affidavits or similar documents (“documents”) submitted by the Foreclosure Department to the Quality Control (QC) Department for review are entered on the New Affidavit spreadsheet

Items entered on the New Affidavits for Review spreadsheet are removed by Quality Control Analysts as the documents that correspond to those items begin their QC review. Therefore, those items on the New Affidavits for Review spreadsheet have not yet had their reviews started by QC. The results of a document’s review are entered on the Completed Affidavits spreadsheet, the spreadsheet may be edited by Quality Control staff only

Completed Affidavits Spreadsheet

All reviews are documented and tracked on the Completed Affidavits spreadsheet. The following is a description of the tabs included on the spreadsheet:

- **Affidavit Tracker** tab – This tab provides a visual reference regarding the status of the affidavits under review. A date and review finding is recorded for each review (first, second, third, etc.) completed by QC. The review is finished for a document once “No Exception” or “Exception Overturned by QC” is noted as a final Review Result for the document. The Date Received is a hyperlink to additional review data on other tabs for that account.
- **1st, 2nd, 3rd, 4th, 5th Review Data** tabs – These tabs provide detailed information regarding the documents reviewed. Information regarding a first review of a document is noted on the First Review Data tab, second review information is noted on the 2nd Review Data tab, etc. This data can also be reached by clicking on the date received link on the Affidavit Tracking tab.
- **New** tab – This tab contains working information on open items pending review by the Quality Control Analysts.



Appendix B – Affidavit Review Checklist

Below is a list of general items verified by Quality Control on a foreclosure affidavit or similar document submitted for audit. The specific items reviewed will vary by document and some items may not be included below.

Borrower/ Property Information

- Borrower/ Co-borrower name (Verify that the names are spelled correctly and that the names on the affidavit are on the mortgage or note.)
- Property address
- Investor name (Verify that the investor name matches Fiserv and is written correctly according to the Trust Matrix.)
- Loan origination date
- Original loan balance

Loan Information

- Principal balance
- Next due date (date the last payment was due)
- Monthly payment amount
- Unapplied funds

Interest

- Interest accrued date (Generally, this is the last date a payment was made. For example, a payment due date is May 1, 2010 so interest began accruing on April 1, 2010.)
- Interest accrued (Generally, the affidavit will specify the dates to use in calculating the interest due.)
- Interest rate (All rates can be specified if a variable rate.)
- Per diem interest accrual after payoff date
- Late charges (Generally, Vericrest only collects late charges to the point that the loan was referred to foreclosure; however, this can vary by document, state, or county.)



Escrow/ Force Placed Items

- Escrow amounts (The document can specify tax, hazard insurance, flood insurance, or other items collectively, by year or otherwise specified by the document.)
- Force placed taxes
- Force placed hazard insurance
- Force placed flood insurance

Deferred Amounts

- Deferred principal
- Deferred interest
- Other deferred amounts (escrow, fees, etc.)

Fees

- Property preservation fees
- Property inspection fees
- Appraisal/ BPO fees
- Certified mail fees
- NSF Fees
- Other fees (for example, previous bankruptcy fees)

Formatting

- Verify that all totals are correct
- Check for any unfilled blanks on the form.
- Check for spelling errors
- Verify that document is signed, dated, and notarized appropriately (authorized signer, different signer and notary, etc.).



Record of Revisions

The table below provides a very brief description of change(s) that have been made to this document and the date of these change(s). Unless otherwise noted, the revision date of this document is also the effective date of the change(s). All published revisions have the prior approval of the appropriate level(s) of management.

NOTE Newly revised material in this document is shown in *italics*

Revision Date	Description of Changes
8/18/2011	First publication of this document for Vericrest Financial, Inc.

Vericrest Servicing Center Basic Body of Knowledge

The following help create the basic information all new hires working in servicing teams will be responsible for understanding and adhering to. This document and materials covered in new hire training will create a foundation of the overall company and will not focus on one specific department; however there will be a heavy concentration on home lending knowledge. This document will be used to help guide study and preparation for the qualifying step to coaching.

Vericrest – The Company & Employee Resources

Vericrest Overview

- State some facts of Vericrest's history
- Summarize Vericrest's organizational structure
- Identify your role in relations to the senior leaders and organizational structure
- Describe the six Core Competencies and Vericrest Mission

Vericrest Orientation

- Complete all HR Forms
- Have access to security badge and phone list
- Sign acknowledgment of comprehension and adherence to the employee handbook
- Particularly you will understand the definition and implications (and resources if applicable) of the following
 - At-Will Employment
 - General employment information
 - Visitors
 - Payroll
 - Emergency Conditions
 - Communication (Attendance, Code of Conduct, Property and Technology, Corrective Action)
 - Equal Employment Opportunities and Harassment
 - Working hours, breaks, and overtime
 - Time Records
 - Appropriate Dress
 - Benefits (Holidays, PTO, Leaves)
- Logon and basic navigation of ADP Self-Service and Timecards
- Access and basic navigation of Development and Performance Management System
- Navigate the Vericrest Intranet site to find resource documents including HR resources, policies and procedures, and training docs

Safety & Security

- Apply facilities procedures to your daily routine, including badge security, visitor policy, and parking
- Implement the Emergency Procedures and Business Interruption Procedures if a situation arises
- Use information security including procedures for loss/stolen equipment, classifying document and encrypting documents

Technology Resources

- Identify the technology resources available and security procedures around such technology
- State company policy of technology ownership and business use

Business Strategy

- Summarize the overall business strategy
- Understand-broadly-loan acquisition strategies
- Reproduce the loan cycle and delinquency flow

Mortgage Industry

Mortgage Industry 101 - Provide curriculum overview and purpose of module – To understand the mortgage market and key terms associated with the mortgage industry. This course will lay out how Vericrest (the Servicer) fits into the broader mortgage industry picture. Participants will be able to

- Define Mortgage
- Describe the mortgage loan market, which include primary and secondary markets, Freddie Mac and Fannie Mae, and Conventional
- Identify the stages of a Mortgage Loan Lifecycle

FISERV - Each module will also have a FISERV application so that they are engaging with FISERV the entire two weeks. Fiserv is the most critical piece for new Specialists to master. They should be able to navigate and problem solve from the information found in this system. This module will focus on navigations through the various screens and with each module, participants will be required to translate the module information into application on Fiserv. By the end of the module, participants will be able to

- Provide basic navigation of cus loan, display notes, cus total, cus name, cus fees, codes, cus original, new loan, perm note, process help, flags, glo inv, del loan, financials, display history.

Begin problem solving in Fiserv (this is more fully developed in each module overview and servicing modules)

Mortgage Terms (OLT) - This will be an activity based module introducing new employees to the mortgage terms.

Recall key terms and definitions related to mortgage servicing

FDCPA (OLT) & State Laws - FDCPA is ACA International's on-line learning modules. We use the 90 series, which includes engagement with the learner through the following modules:

Appropriate Third-Party Communications

Avoiding Harassment and Abuse

Avoiding Unfair Practices

Responding to Disputes

What Could Go Wrong?

Right-Party Communications

Avoiding False and Misleading Statements

The Danger of Overshadowing

Cease Communications Request

Match the state with the law(s) that pertain to that state

Basic Mortgage Math - This module will explain the mortgage math that Servicing Specialists experience the most: interest methods, valuation (including BPOs), customer financials (verification of income), Loan-to-value ratio, debt-to-income ratio, and credit ratings (reading credit reports)

Identify interest methods and practice interest method calculations

Know what valuation means

Interpret a (Internal and external) BPO and how to order a BPO

Describe how to find a valuation and when valuation is used

Calculate customer's financials using FISERV Financials

Identify debt-to-income ratio calculation and uses

Examine broadly loan-to-value calculations and uses

Understand credit ratings

Pull and interpret credit bureau reports (know when and why to pull reports)

Types of Mortgage Loan Programs - This module will provide Specialist with the background on the various types of loan programs available to those buying mortgages. It will be a broad dive into the world of mortgage loan and why individuals may obtain (qualify) for certain types of loan. Again this will only focus on a broad understanding from a servicing perspective (not from an originations perspective)

Differentiate between various loan types: fixed-rates mortgages, FHA loans, VA loans, Interest-only mortgage types, adjustable rate mortgages, Option ARMs, Piggyback Mortgages, equity mortgages (HELOC), and reverse

Recognize these mortgages in Fiserv

Acquisitions & Repurchase & Put backs - This module will look at acquisition of certain loans groups/types.

What the secondary market is

How the acquisition process starts

Know what is meant by the due diligence process

Identify the type of loan acquisition – wholly owned portfolio, or servicing in FISERV

Identify and track in Fiserv when a repurchase has already been requested

Know why Purchasing Agreements and Servicing contracts are important

Explain why there is a waiting period between when the asset servicing is transferred (the seller sends the transfer letter to the borrower) and when you can actually pull the acct up in Fiserv (boarding time)

Mortgage Loan Docs (OLT) - After completing this module, you should be able to

Describe the loan application process

Read a loan application

Identify loan supporting documents required

Access and navigate DocuLogic

Documents - Vericrest handles, mails and houses numerous customer documents. This module is intended to help new hires understand our documents, our letters and DocuLogic, our online document warehouse. Specialists will be able to

View loan documents described to them in the Mortgage Loan Docs Module

Utilize "View Documents" in Fiserv that house online letters in Nautilus

Navigate DocuLogic to find documents

Learn how to pull and read customer billing statements (Venture)

Examine various letters and how to request letters

Explain Demands and CC3 letters

Insurance & Taxes - This module will unlock the various types of insurances that Specialist will encounter and the various tax and tax questions customers may have. Participants will be able to

Describe escrow generally as it relates to all of insurance and taxes

Explain Forced Placed Insurance and its implications on customer accounts

Identify Private Mortgage Insurance and its implications on customer accounts

Explain the basics of mortgage taxes and implications on customers including tax forms, task codes, and customer implications (what we can and cannot explain to customers regarding taxes)

Identify non-escrow accounts and appropriate questions to ask types

Summarize the loss draft process

Find examples on [Fiserv](#)

Escrow (Impounds) - This course will define the purpose of an escrow account and provide an overview of the escrow related FISERV screens. This knowledge will assist Specialists when communicating escrow information to the customer. Participants will be able to

- Understand the functions of an escrow account
- Identify the different combinations of taxes and insurance
- Demonstrate how to read [FISERV](#) Escrow related screens
- View Escrow history and analysis in DocuLogic and Venture
- Create a CIT and know escrow related CIT codes

Bankruptcy & Foreclosure - The goal of this module is to help Specialists broadly understand the process of bankruptcy and foreclosure. Specialist will be able to

- Know the basics of bankruptcy and foreclosure
- Explain the process when a customer says they are in bankruptcy and what we can and cannot do
- Explain the demand and CO3 letters and implications of these letters.
- Illustrate knowledge of how to identify accounts in Fiserv
- Explain what happens in moving the property into REO

Property Preservation - This module will provide a basic overview of property preservation. Specialists will be able to

- Define property preservation
- Identify the impact of not preserving our property and how Specialist can protect Vericrest from potential loss.
- Listen for key phrases to alert specific action
- Document accurately in [Fiserv](#)

Payments - This course will explain essential knowledge around payments and accepting payments. Specialists will be able to

- State the various payment types, including ACH, WUQC, Mail, and Vericrest website
- Tell the payment hierarchy and unapplied funds
- Recognize fees and the process of fee explanation
- Utilize resource to know which transaction codes need to be used
- Create a speed pay

Assistance Programs & Refinancing - Assisting our customer's has a direct impact on our business strategy and vice versa. The objectives of this module are to

- Distinguish the various assistance programs that are offered
- Determine when and if refinancing is the best option for customers
- Demonstrate talk off skills to customers about assistance (what to say and what not to say and when)
- Recognize these programs in [Fiserv](#)

Special Loan Programs - Customers need to understand what their options are regarding their current loans. This module will help Specialists

- Summarize the various loan programs including HUD, HAMP, HOPE, H2H, and Hardest Hit Fund
- Demonstrate talk off skills regarding these programs.
- Navigate FISERV to identify these loan programs
- Explain actions required by Specialists with each specialized group

Special Handling & Correspondence - Closely related and incorporating acquisitions, assistance programs and special loan programs, the special handling will provide the various other special ways we should handle accounts and correspondences. Specialists will be able to

- Relate [Fiserv](#) Alert Codes to specific actions required
- Describe customer privacy law and its impact on actions about speaking with unauthorized/authorized 3rd parties, lawyers, spouses, powers of attorney
- State the proper handling of customer account information
- Know how to handle media (other) inquiries about Vericrest or customers
- Navigate the Vericrest customer website and identify information that can be obtained there
- Describe ways to keep customer confidentiality
- Show proper correspondence via email regarding internal and external customers

Pay off Process - The specialist will learn the steps to complete a basic customer payoff request, the participant will be able to

- Accurately explain to a customer how the payoff process works (timeline)
- Determine which FISERV screens are used to input the request and enter the notes for the payoff request
- Know how to create a CIT in the [FISERV](#) system
- Demonstrate how to input the correct CIT codes for this process

Notating Customer Accounts - Critical to our business decisions and customer accounts is our ability to accurately notate an account. Specialists will be able to

- Demonstrate how to log onto and utilize [Noble](#)
- Reference and abbreviations guide for notating accounts
- Select appropriate action and results codes and CITs
- Practice notating calls and talking at the same time

Demonstrate knowledge of updating borrowers contact information

Quality Assurance Basics - This module will focus on learning and using correct Quality Assurance and Escalation methods. The specialist will know and be able to

- Adhere to Quality Assurance Requirements when handling customer calls.
- Describe how the Quality Control evaluation form is used for monitoring
- Explain when to use the Mini Miranda statement
- Provide the Mini Miranda statement verbatim to customers.
- Explain when to use the Quality Assurance statement
- Provide the Quality Assurance statement verbatim to customers.
- Explain how the FDCPA law applies to collection and servicing

Customer Service Excellence Basics - This module will focus on basic methods to problem solve with the customer resulting in customer service to control call and drive customer solutions. At the end of the module the specialist will be able to

- Use basic telephone etiquette when speaking with customers.
- Identify techniques for customer service excellence
- Open the call appropriately
- Establish rapport and build trust with customers so you can assist them
- Demonstrate professionalism and composure
- Close the call appropriately
- Use effective questioning techniques to get a complete picture of the customer's situation
- Use active listening skills to understand the customer's situation
- Take ownership of the customer's situation and take responsibility for resolving it
- Demonstrate effective recap techniques for strong call closing
- Project a positive tone
- Convey confidence to the customer
- Speak with clarity to ensure the customer understands.
- Use efficiency techniques to control the pace and timing of the call
- Handle difficult situations using customer servicing techniques.
- Place calls on hold and return to the call courteously
- Courteously transfer calls to other departments, when necessary
- Educate the customer to maximize collections.
- Negotiate payment and other options effectively

Offering Solutions - The purpose of this material is to introduce the specialist to the sales environment resulting in the adoption of the mentality of reaching goals and exceeding expectations. At the end of this module the specialist will have tools to

- Identify the steps in the Offering Solutions process.
- Reduce call time and move the caller to the next step in the delinquency resolution process.
- Express empathy
- Establish rapport and build trust with customers.
- Use effective questioning techniques to determine the real cause of default
- Ask clarifying and follow up questions to get a complete picture of the customer's situation
- Use active listening techniques to gather information and continue to build rapport
- Identify the appropriate solution for the customer
- Offer a solution that meets the customer's needs and is based on the customer's situation
- Identify common objections presented by customers.
- Address customer objections by matching the solution to needs.
- Use correct FISERV notes to clearly define the next step
- Identify the appropriate Customer Inquiry Task (CIT) code to refer the account to the appropriate team for resolution
- Guide a customer through the delinquency resolution process.

Advanced Customer Service Techniques - This module will provide advanced customer service techniques. By the end of the module, participants will be able to

- Recognize customer escalation triggers
- Determine when to escalate a customer to a manager
- Explain the steps in the escalation process.
- Explain the process used to transfer a customer to a senior person
- Maintain your composure and positive attitude while assisting customers.

System Navigation & Logon Check

ADP
DPM
FISERV

Noble
Policy & Procedures
Doculogic

Venture
WJQC
Outlook

Intranet
Cisco

SUPPLEMENTAL CERTIFICATION OF BRIAN F. COREY

IN RESPONSE TO COURT REQUEST DATED AUGUST 3, 2011, ADMINISTRATIVE ORDER 01-2010

SUPERIOR COURT OF NEW JERSEY DOCKET NO. F-00138-11

I, Brian F. Corey, hereby certify that the following is true and correct.

I am Senior Vice President of Green Tree Servicing LLC ("Green Tree"), with responsibility over Green Tree's Legal and Compliance Department. I have personal knowledge of and am fully familiar with the Green Tree's policies, procedures, and operation pertaining to foreclosure processing.

Green Tree acts as a loan servicer on behalf of loan owners, which include mortgage-backed securitization trusts ("Trusts"). Green Tree has received a request from certain of those Trusts, through the Trusts' trustee, the Bank of New York Mellon, requesting that Green Tree provide clarification in the form of a supplemental certification to the certification I executed on July 18, 2011 in connection with Administrative Order 01-2010. Following is the requested supplemental certification:

Green Tree Compliance with Rules 4:64-1 and 4:64-2:

The Court has asked that Green Tree address its compliance with New Jersey State Court foreclosure Rules 4:64-1 and 4:64-2. Green Tree recognizes there are many important requirements within Rules 4:64-1 and 4:64-2. Therefore, it has a four-phase approach to ensuring its foreclosures are in compliance with those rules. First, each law firm that represents Green Tree on New Jersey foreclosure matters has separately agreed in writing to conduct foreclosures in compliance with applicable New Jersey laws and regulations. Second, each firm has also separately issued a written assurance to Green Tree that it is aware of and in compliance with New Jersey Rules 4:64-1 and 4:64-2. Third, existing Green Tree procedures, and regular compliance training require Green Tree's Foreclosure Specialist employees to confirm that Green Tree is compliant with applicable requirements within the rules. This includes, for example, that a title search as required within 4:64-1(a) was completed; and that the pleadings, including the complaint and affidavit, are entirely accurate as required by Rules 4:64-1(b) and 4:64-2. This phase also includes a responsibility to engage in discussions with the foreclosure attorney and to challenge the attorney, with the support of Green Tree's compliance department, if any discrepancies are found. Finally, Green Tree's Compliance Department conducts foreclosure audits of its offices across the nation on a monthly basis. Every item within 4:64-1 and 4:64-2 will be reviewed for New Jersey foreclosures by experienced compliance auditing personnel

Policies and Procedures Pertinent to Rules 4:64-1 and 4:64-2 and Training

Response: The Court has asked Green Tree to provide copies of its policies and procedures pertinent to Rules 4:64-1 and 4:64-2 as well as its foreclosure training materials. In response, Green Tree has attached as Exhibit A all policies and procedures related to 4:64-1 and 4:64-2. Green Tree's training materials in connection with foreclosures generally are also attached and labeled as Exhibit B. All

procedures and training materials are confidential and proprietary. Green Tree requests that they not be disseminated without the prior written consent of Green Tree.

Court Comments and Questions

The Court had the following specific comments and questions with respect to Green Tree's original certification, which are addressed below sequentially.

Specific Comment #1: *"Please describe how documents and information get from Green Tree to foreclosure counsel, e.g., hard copy, electronic fee, screen shots, etc."*

Response to Specific Comment #1: Green Tree Foreclosure Specialists typically communicate on-line with foreclosure attorneys through software entitled "Lenstar." This software enables the two parties to keep each other updated by documenting the status of the account and the foreclosure. Comments in Green Tree's primary collection system are uploaded into Lenstar so that the foreclosure attorney can continue to receive the most up-to-date information available on the account. Likewise, the Foreclosure Specialist is updated on filings and any information input by the foreclosure attorney into Lenstar. Green Tree also communicates and sends documents through secure e-mail. This includes scanned documents and screen shots. Other communications are by telephone. Original documents are sent and tracked via secure mail.

Specific Comment #2: *"Please explain how it is confirmed that the Foreclosure Specialist and the person signing affidavits are reviewing identical packages and explain exactly what records are reviewed by the person signing the affidavit."*

Response to Specific Comment #2: Green Tree's foreclosure process is decentralized and therefore, foreclosure volume for any one Foreclosure Specialist is relatively low. This enables each Foreclosure Specialist to personally bring the foreclosure file to the person signing the affidavit. At that point, the two employees typically meet to discuss the file. The person signing will review all of the documents (complaint, affidavits, mediation forms, etc.) and review the system data (loan balance, days past due, loss mitigation efforts, etc.) to confirm a number of data points, including, but not limited to, the right to foreclose and whether Green Tree exhausted loss mitigation efforts. The person signing will also confirm that the Foreclosure Specialist has also reviewed each item in the file and completed a line by line comparison of business records to assertions, facts and figures set forth in the affidavit.

Specific Comment #3: *"Are the officers referred to in paragraph 1(b)(ii) the same as the people referred to in paragraph 1(b)(i)?"*

Response to Specific Comment #3: Yes, it is typically Green Tree's authorized signers, who are officers or managers, who sign on behalf of Green Tree. Such individuals represent management personnel in all of Green Tree's service centers and regional offices. It should be noted that among the seventeen locations within Green Tree that handled foreclosures on New Jersey accounts in 2010, there is one service center with twelve Foreclosure Specialists who sign certain affidavits that do not require an officer's signature. One of Foreclosure Specialists handles New Jersey files. These Foreclosure

Specialists consult with a manager and the Compliance Department as necessary after a complete review of the file. A vice president at this location follows the protocol mentioned herein and presently signs those documents that require an authorized signer after reviewing the file with the Foreclosure Specialist.

Specific Comment #4: *"If a data change is made in the system, is the old data preserved in some fashion?"*

Response to Specific Comment #4: Yes, however, most representatives do not have the ability to make changes to critical data in the system. Only limited data changes may be made to Green Tree's servicing system due to security and data integrity concerns. With regard to those few items such as an address, that may be updated or changed by Foreclosure Specialists, nothing is ever overwritten. Any and all notes made to the system become new, permanent records. Anything changed is preserved.

Specific Comment #5: *"Are there any reviews or audits of your systems to ascertain if any individuals are making changes in a volume that might suggest a quality problem?"*

Response to Specific Comment #5: No. There are no audits targeting only this specific area at this time because Green Tree's system is secure and restricts those who are authorized to make changes to a limited number of loan servicing personnel.

Note, documents are reviewed in audits for inaccuracies. Any errors identified in quality assurance and compliance audits would be relayed to senior management, coupled with recommendations for appropriate quality adjustments, particularly if an auditor identified numerous past changes to a document.

Note also, as mentioned in the certification, Green Tree foreclosure attorneys provide draft documents to the Foreclosure Specialist assigned to the particular matter prior to the filing any such documents with the court. The Foreclosure Specialist who is embedded in Green Tree's decentralized collection department reviews those documents for accuracy against collection and payment histories. If corrections are necessary, the documents are redrafted and re-reviewed. If high volume changes are required, Foreclosure Specialists will notify Green Tree management of a potential quality problem so that it may be appropriately addressed.

Specific Comment #6: *"With reference to paragraph 1(c), what does Green Tree receive from the custodian in order to enable Green Tree to satisfy its obligations under Rule 4:64-1? Originals? Photocopies? Imaged PDF files? Other?"*

Response to Specific Comment #6: Original loan documents are maintained by custodians as required by agreements with Trustees. Green Tree's document custody department has responsibility for obtaining original documents for loans that Green Tree services. The document custody department requests original documents from the custodian as needed in the foreclosure process. Whether *original* or *certified copies* of loan documents are obtained will vary with each attorney as to the means he or she may choose to comply with Rule 4:64-1.

or certified copies of loan documents are obtained will vary with each attorney as to the means he or she may choose to comply with Rule 4 64-1.

Specific Comment #7: *"With reference to paragraph 1(d), are "Foreclosure Specialists" and "authorized signers" the same people?"*

Response to Specific Comment #7: Generally, no. Foreclosure Specialists are not typically authorized signers. This varies sometimes by location and the management level of the Foreclosure Specialist.

Specific Comment #8: *"With reference to paragraph 1(e), are the training programs outlined in writing? If so, please supply copies of the policies and programs. How is it confirmed that training is completed as required?"*

Response to Specific Comment #8: Green Tree Compliance Managers and attorneys provide in-person training in connection with collections and foreclosure activity. The training slides used for the foreclosure training are attached as Exhibit B. Foreclosure Specialists attending the training are required to sign an attendance sheet. The attendance sheet is forwarded to Green Tree's Human Resources Department and is retained in the training file for each employee. Compliance Managers coordinate with the Human Resources Department regarding anyone who has missed the training so that a follow-up may be scheduled.

Specific Comment #9: *"Typically, how many affidavits would someone sign in the course of a day?"*

Response to Specific Comment #9: Among the seventeen locations that service New Jersey accounts, it is estimated that someone at each location would sign one to two New Jersey affidavits each week. Such persons would also be signing other affidavits with regard to customers outside of New Jersey and on average is estimated to be approximately five to ten each day.

Specific Comment #10: *"Also with reference to paragraph 1(e), is the term "pleading" meant to refer to the complaint? Please be specific."*

Response to Specific Comment 10: Green Tree referenced pleadings in paragraph 1(f) of its original certification. Green Tree advised that the Foreclosure Specialist assigned to the particular matter provides Green Tree's foreclosure counsel with necessary information to prepare and draft foreclosure pleadings.

By pleadings, Green Tree means anything counsel will file with the court or utilize in any way as part of the foreclosure proceedings. It might include, but would not be limited to, the summons and complaint, multiple affidavits, various notices of foreclosure mediation or mediation request forms, etc.

Specific Comment #11: *"To the extent there is any electronic interface between the servicer and the foreclosure counsel, please state whether or not foreclosure counsel has the ability to make changes or entries in the system, or whether foreclosure counsel's access is limited to "read only."*

Specific Comment #12: *"With reference to paragraph 1(g) and more generally, do you use a written checklist(s)? If so, do they require the person preparing them to actually sign or certify to confirm that the checked –off items are in good order? Please supply specimens."*

Response to Specific Comment #12: A formal automated checklist is still being developed for automation and is anticipated to be in production in the near future. Foreclosure Specialists presently utilize an alert that they were required to use as a checklist in the course of reviewing affidavits, complaints and other documentation within foreclosure files. The alert is included in Exhibit A.

Specific Comment #13: *"With reference to 1(h), describe the audit processes referred to and the frequency with which they are conducted?"*

Response to Specific Comment #13: Green Tree utilizes internal audits, compliance audits and quality assurance reviews to assess compliance with its internal policies related to the accuracy and sufficiency of documentation submitted in connection with foreclosure actions. Green Tree has been conducting compliance audits of foreclosure processes at each of its offices where decisions to initiate New Jersey foreclosures are made and New Jersey foreclosure accounts are serviced since early in 2009. The purpose of those audits is to confirm that (i) foreclosures are brought only on defaulted mortgage loans, (ii) all reasonable loss mitigation efforts have been exhausted before foreclosure, and (iii) Green Tree's foreclosure procedures have been followed and applicable New Jersey legal requirements have been satisfied.

Each year, internal audit completes one foreclosure audit. Approximately 20 Quality Assurance audits are completed each year. Compliance conducts foreclosure audits for each servicing location not less than once each year. Compliance audits include a form that must be signed by the regional or service center manager, which includes an action plan for addressing any errors identified in the audit. This helps to prevent a reoccurrence of critical findings. In-person compliance training typically follows each audit.

Specific Comment #14: *"What policy, if any, applies to the process for communicating with foreclosure counsel when a partial payment has been received and accepted, potentially thereby curing the default?"*

Response to Specific Comment #14:

Green Tree's policy requires that Foreclosure Specialists contact foreclosure counsel if a payment is received during a foreclosure proceeding to discuss options. If the payment is large enough to cure the total amount past due, the payment will be applied and the foreclosure will be dismissed or terminated. If the payment is not large enough to cure and represents more than one scheduled monthly payment, a decision may be made between Green Tree and its foreclosure counsel to terminate the foreclosure and apply the payment, particularly if discussions with the customer reveal new information such as new eligibility for loss mitigation or new ability to pay. Smaller payments will usually be returned to the customer.

The undersigned certifies that the foregoing statements are true and correct to the best of his knowledge.

Date August 29, 2011

By: 
Brian F. Corey
Senior Vice President