

MORTGAGE
PARTNERSHIP
FINANCE[®]
PROGRAM

Concurrent Servicing
Sale Manual
for
Colonial Savings

Updated October 1, 2008

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1 CHAPTER 1 OVERVIEW

The MPF Program “concurrent sale” servicing released structure with Colonial Savings, F.A. (“Colonial Savings”) involves the sale of MPF Servicing Rights to Colonial Savings at the same time a PFI (the “Selling PFI”) sells loans to the MPF Bank. The Selling PFI will remain liable for origination warranties and for Credit Enhancement obligations, if any, for the Mortgages arising under the PFI Agreement of the Selling PFI. In turn, the Selling PFI will receive all Credit Enhancement Fees, if any, for the Mortgages serviced by Colonial Savings.

In order to participate in concurrent servicing sale transactions, the Selling PFI must sign a “PFI Servicing Sale Agreement” with the Selling PFI’s MPF Bank, Colonial Savings, and the MPF Provider, and prior to selling the Servicing for Government Loans, the Selling PFI must sign an addendum or amendment to the PFI Servicing Sale Agreement.

Prior to delivering loans under this structure, the Selling PFI must provide to the MPF Bank the Selling PFI Information (Exhibit 1).

1.1 Organization of the Manual

With respect to the sale of Serviced Mortgages by a Selling PFI, all provisions of the MPF Origination and Servicing Guides and the PFI Agreement shall apply unless they are inconsistent with a provision of the Servicing Sale Agreement or this Manual.

All capitalized terms used but not defined in the Glossary of this Manual shall have the meaning provided in the MPF Origination and Servicing Guides, the PFI Agreement, or the PFI Servicing Sale Agreement. All references to “Serviced Mortgage” in this Manual shall be understood to refer to a Fixed Rate Mortgage Loan originated by a Selling PFI and sold to an MPF Bank at the same time that Servicing for the loan is transferred to Colonial Savings.

2 CHAPTER 2 PFI APPROVAL

In order to be eligible for this structure, a PFI must sign the PFI Servicing Sale Agreement noted in Chapter 1 and meet the requirements listed below, as applicable.

2.1 New PFI

A PFI who is new to the MPF Program may elect on the PFI Application to be considered for approval as either a “Sales Only PFI” (servicing released) or a standard PFI (servicing retained). A standard PFI (servicing retained) may also elect to deliver loans servicing released under specified Master Commitments. All new PFIs must sign a PFI Agreement.

2.2 Existing PFI

For an existing PFI, no additional approval is required to deliver Conventional Loans. To deliver Government Loans, the PFI must be approved for the particular type of Government Loans to be delivered.

3 CHAPTER 3 SERVICING RELEASED PREMIUM (SRP) / PRICING SCHEDULE

The Servicing Released Premium (SRP) / Pricing Schedule (in the form of Exhibit 3) represents the price to be paid by Colonial Savings for the Servicing Rights, stated as a percentage of the Principal Balance of the Serviced Mortgages on the Sale Date. The date of purchase of a Serviced Mortgage by the MPF Bank shall be referred to in this Manual as the “Sale Date”.

PFI's will be notified of changes in the Pricing Schedule via e-mail. Changes to the SRP / Pricing Schedule will be effective for Delivery Commitments issued beginning the day after the change in the SRP / Pricing Schedule. The MPF Provider will manage all Master Commitments and Delivery Commitments in accordance with the Guides and the requirements provided in this Manual.

The SRP / Pricing Schedule is published on the website of Community Bankers Mortgage, a division of Colonial Savings, F.A. The SRP / Pricing Schedule can be obtained by following these steps:

- Open the following website: <http://fhlb.cbankers.com>;
- Click on the 'SRP' link in the middle of the page.

3.1 Master Commitment

When the PFI takes out a Concurrent Sale Master Commitment to be serviced by Colonial Savings, the Master Commitment must identify the Selling PFI as the Originator and Colonial Savings as the Servicer. The Master Commitment must only be for Fixed Rate Loans with a scheduled/scheduled remittance type. All MPF Mortgage Products are eligible for this structure except MPF 100 (Bank Funded Mortgages) and MPF Xtra™.

3.2 Delivery Commitment

A Concurrent Sale Delivery Commitment must reference the applicable Colonial Savings Concurrent Sale Master Commitment. See MPF Origination Guide Chapter 19.3 for issuance of Delivery Commitments.

4 CHAPTER 4 MORTGAGE ORIGINATION AND PURCHASE

4.1 Origination

Serviced Mortgages must be originated by the Selling PFI in accordance with the MPF Origination Guide, the PFI Agreement and this Manual.

4.2 Underwriting

Underwriting will be completed by the Selling PFI in compliance with the Origination Guide (including the Underwriting Guide), the PFI Agreement, and this Manual.

Serviced Mortgages eligible for delivery must:

- Have a minimum loan term of ten (10) years.

4.3 Closing

Serviced Mortgages must be closed by the Selling PFI or its agent in accordance with the Origination Guide. The Selling PFI represents and warrants that it has provided a Selling PFI Goodbye / Colonial Savings Welcome Letter to the Borrower at the time of the Closing in the form of Exhibit 4 which:

- Includes accurate and complete Servicer contact information for Colonial Savings;
- Complies with all Applicable Law; and
- Includes in the Letter's first line the date which is ten (10) days after the Closing date, or the intended Sale Date for the Serviced Mortgage, if sooner.

4.4 Purchase by the MPF Bank

Purchase of a Serviced Mortgage by the MPF Bank must be completed via the eMPF[®] Website (see eMPF User Manual). The Selling PFI must sell to its MPF Bank each Serviced Mortgage to be purchased under this structure not later than ten (10) calendar days after the Mortgage Closing date. The first payment due date for each Serviced Mortgage must be the first day of the month following the first full

month after the Closing date. No “interest credit” due to the Borrower from Colonial Savings or the Selling PFI will be permitted.

The MPF Provider will transmit on a daily basis to the Selling PFI and to Colonial Savings loan data for Serviced Mortgages purchased that day.

5 CHAPTER 5 DOCUMENT CUSTODY

5.1 MPF Program Custodian

The MPF Program Custodian must be the Custodian for all Serviced Mortgages under this structure. The Selling PFI is required to deliver Collateral Files to the MPF Program Custodian (see contact information provided in Exhibit 2) in accordance with the timeframes and requirements of Chapter 24 of the Origination Guide and to obtain the approval of the MPF Program Custodian that documents are in proper form and are properly executed. The Collateral File, which is sent to the MPF Program Custodian, must contain original documents or certified copies of originals, as required below and in Chapter 24.2 of the Origination Guide. For Government Loans, the Selling PFI must submit to the Custodian the original (or electronic) applicable Government Agency mortgage insurance certificate or loan guaranty as required in Chapter 24.6.1 of the Origination Guide.

5.2 Collateral File Label

The Collateral File for each Serviced Mortgage delivered to the MPF Program Custodian must be identified by the Selling PFI as a Colonial Savings loan. Collateral Files must be labeled as required by Chapter 24.2.2 of the Origination Guide with the “PFI Name” listed as “Colonial Savings”.

5.3 Endorsements and Assignments

The Selling PFI must provide a Note endorsement “in blank” as required by Chapter 24.4.2 of the Origination Guide. As required by Chapter 24.2.2 of the Origination Guide, unless MERS is the Mortgagee of record, the Selling PFI must prepare and record an Intervening Assignment of the Security Instrument to “Colonial Savings, F.A.” for each Serviced Mortgage in the form required by Applicable Law. The Selling PFI must also send a certified copy of this Intervening Assignment to the MPF Program Custodian. The Selling PFI will not be responsible for preparing the unrecorded Assignment “in blank” from Colonial Savings.

If MERS is the Mortgagee of record, the Selling PFI must immediately register with MERS that the servicer for the Serviced Mortgage is “Organization Identification Number 1000290”. See Chapters 24.2 and the Initial Certification Review Checklist (Exhibit K) in the Origination Guide for additional requirements on MERS loans.

5.4 Certification with the MPF Program Custodian

The Selling PFI is responsible for the Initial and Final Certification of the Collateral Files, resolving Initial and Final Certification issues with the MPF Program Custodian, and payment of all fees imposed for uncertified documents or custodial Exceptions (see Chapter 24.7 of the Origination Guide). All Serviced Mortgages that do not meet the Initial Certification requirements must be repurchased in accordance with Chapter 24.3.2. All Government Loan Serviced Mortgages that do not meet the Final Certification requirements within 12-months from the Funding Date must be repurchased. For all repurchased loans, Colonial Savings shall be entitled to a refund of the SRP in accordance with Chapters 8.2 and 8.5 of this manual.

5.5 Selling PFI Document Access

The Selling PFI may request and obtain the Collateral File from the MPF Program Custodian in order to correct certification Exceptions up until the point of Initial Certification. After Initial Certification, the Selling PFI may not request the Collateral File from the MPF Program Custodian.

The PFI must follow prudent business practices in protecting and safeguarding all documents released to it by the MPF Program Custodian until these documents are returned to the MPF Program Custodian, as required by Chapters 24.2.1 and 24.2.10 of the Origination Guide.

6 CHAPTER 6 SERVICING TRANSFER PROVISIONS

6.1 Servicing File Delivery Time Frame and Stacking Order

For each Serviced Mortgage the Selling PFI must deliver to Colonial Savings within seven (7) calendar days after the Sale Date the Servicing File which contains the documents listed in the Servicing File Checklist (Exhibit 5). The Selling PFI should retain a copy of the Servicing File for its records. If the original Servicing File is retained by the Selling PFI, it must be made available to Colonial Savings upon request.

6.2 Servicing File Packing Procedures

Servicing Files should be shipped to the address shown in the Colonial Contact Information (Exhibit 2) using the procedures specified below:

- All Servicing Files must be in the order specified in the Servicing File Checklist (Exhibit 5) with the following label on the outside of each file:

Borrower Name _____

MPF Loan Number _____

- All Servicing Files must be arranged in MPF loan number order, from lowest to highest;
- Each box must contain an inventory list of the files included in that box. The list should be in MPF loan number order; and
- If more than one box is shipped at a time, (i) boxes should be numbered starting with box number one (1); and (ii) the box number should be indicated on the inventory list.

6.3 Review and Acceptance of the Servicing File

Colonial Savings will review each Servicing File upon its receipt from the Selling PFI in order to:

- Determine that all required documents have been provided, and
- Ensure that the Servicing File and the Serviced Mortgage comply with the terms of this Manual and the PFI Servicing Sale Agreement.

If Colonial Savings determines that the Servicing File or the related Serviced Mortgage is not in compliance, Colonial Savings may choose to reject the Servicing File.

Colonial Savings will notify the MPF Provider and the Selling PFI within two (2) Business Days after receipt for each rejected Servicing File including the reasons for the rejection, and will return the Servicing File to the PFI. If notice of rejection is not provided for a Servicing File within two (2) Business Days, Colonial Savings will be deemed to have accepted the Servicing File (subject to its right to recommend repurchase in accordance with Chapter 8 of this Manual and / or the PFI Servicing Sale Agreement).

If Colonial Savings rejects a Servicing File and provides notice as described above, the Selling PFI must correct defects and return the corrected Servicing File to Colonial Savings (see Chapter 8 for more information on loan defects). If the Selling PFI fails to deliver an acceptable Servicing File to Colonial Savings before the tenth (10th) calendar day prior to the first payment due date for a Serviced Mortgage (or the preceding Business Day if that day is not a Business Day), the Selling PFI will be required to repurchase the Mortgage from its MPF Bank in accordance with Chapter 8.2.

6.4 Servicing Released Premium (SRP) Payment

On the fifth (5th) Business Day of the month following receipt and acceptance by Colonial Savings of the Servicing File and all required funds, the MPF Provider will pass the Servicing Released Premium (SRP) payment from Colonial Savings to the Selling PFI's DDA. On the fifth (5th) Business Day of each month, Colonial Savings will supply to the Selling PFI loan level SRP information and summary SRP payment data for Serviced Mortgages boarded the prior month in the form of the Servicing Released Premium Statement (Exhibit 9).

The SRP to be paid for the Servicing Rights with respect to a Serviced Mortgage will be an amount equal to the SRP Percentage in effect on the date on which the Delivery Commitment covering such Serviced Mortgage was issued, multiplied by the original Principal Balance of such Serviced Mortgage as of the Sale Date. If the Principal Balance

used in computing the SRP for any Serviced Mortgage is later found to be incorrect, the SRP shall be promptly and appropriately adjusted, and payment will be promptly made by the appropriate party.

6.5 Other Fees

Colonial Savings will charge the following fees for each Serviced Mortgage and will net the fees from the SRP due to the Selling PFI for the Serviced Mortgage:

• Tax Service Fee.....	\$89
• Processing Fee.....	\$100

6.6 Escrow Funds

The Selling PFI (or the Closing agent) will wire the Escrow Funds collected at Closing to Colonial Savings as directed in the Colonial Contact Information (Exhibit 2).

Funds must be wired within one (1) Business Day after the Sale Date. The Escrow Funds Reconciliation (Exhibit 8) should be included in the Servicing File sent to Colonial Savings, along with the wire transfer confirmation.

Documents in the Servicing File should indicate whether an Escrow Account has been established for the Serviced Mortgage. These documents include, but are not limited to the, HUD-1 settlement statement and the Escrow Funds Reconciliation (Exhibit 8). Any incorrect information provided by the Selling PFI could result in Selling PFI responsibility for tax penalties.

6.7 Property Taxes

The Selling PFI must provide Colonial Savings with a complete and accurate Tax Information Sheet (Exhibit 10) for each Serviced Mortgage, regardless of whether or not an Escrow Account is established for the loan. Colonial Savings requires this information in order to monitor payment of taxes during Servicing.

6.8 Hazard and Flood Insurance

6.8.1 Mortgagee Clause

The Servicing File should include evidence of hazard and (if applicable) flood insurance and flood zone determination certificate

with a Mortgagee clause to Colonial Savings, F.A. (see Colonial Savings Contact Information (Exhibit 2)).

If an insurance policy or flood zone determination certificate is not in the name of Colonial Savings, F.A. as required above, the Selling PFI may provide a letter requesting endorsement of the Mortgagee clause in the form of the Mortgagee Letter (Exhibit 11).

6.8.2 Approved Flood Zone Certificate Vendors

A flood zone determination certificate with life-of-loan coverage from one of the following approved vendors is required for each Serviced Mortgage:

- American Flood Research, Inc.
- GeoTrac, Inc
- Fidelity National Flood Service
- First American Flood Data Services
- Stewart Mortgage Information
- Stormwater Research Group
- US Flood Research, Inc.
- GeoLogix
- US Determination Services, a division of PCi Corporation
- E-Floodzone
- LandAmerica
- GC Engineering
- United One Resources
- Palma, Lazar & Ulsh

6.9 Recorded / Final Documents

The Selling PFI must deliver to Colonial Savings the original recorded and/or final documents (where applicable) in the Recorded / Final Documents Checklist (Exhibit 6) within ninety (90) days after the Sale Date. If not all documents are available at ninety (90) days, the Selling PFI should deliver the available documents and provide the remaining documents as they become available. The checklist must be attached to the copies sent for each Serviced Mortgage. Recorded and/or final documents should be shipped to the address shown in the Colonial Savings Contact Information (Exhibit 2), using the packing procedures provided in Chapter 6.2 (last 3 bullet points).

6.10 Supplementary Information

Prior to and after the Sale Date for a Serviced Mortgage, the Selling PFI will at its own expense:

- Furnish promptly to Colonial Savings any supplementary information related to the Serviced Mortgage which Colonial Savings reasonably requests and which is reasonably available to the Selling PFI; and
- Render reasonable assistance to Colonial Savings to enable Colonial Savings to efficiently take over and service the Serviced Mortgage.

7 CHAPTER 7 OTHER SELLING PFI RESPONSIBILITIES

7.1 Regulatory Requirements

The Selling PFI will be responsible for compliance with all regulatory requirements related to the origination and transfer of Servicing for the Serviced Mortgages.

7.2 MPF Quality Control

The Serviced Mortgages under this structure will be included in the normal MPF quality control review sample population for the Selling PFI in accordance with Chapter 26 of the Origination Guide. The Selling PFI will be responsible for providing copies of the required documents upon request from the MPF Provider. Findings with respect to the Serviced Mortgages will be provided to the Selling PFI and Colonial Savings. However, Colonial Savings will be responsible for the special quality control reviews required by Chapter 107.4.5.1 of the Servicing Guide.

7.3 Selling PFI Quality Control

The Selling PFI is responsible for conducting the quality control review in accordance with Chapter 28 of the Origination Guide.

8 CHAPTER 8 DEFECTS AND REMEDIES

Colonial Savings will work directly with the Selling PFI to resolve issues involving, but not limited to, the Servicing File delivery, loan boarding, Servicing Released Premium (SRP) payments and escrow reconciliation. In the event an issue cannot be resolved, the MPF Provider will act as arbitrator to resolve the issue, and the decision of the MPF Provider will be controlling.

8.1 Curable Defects

If a Serviced Mortgage fails to comply with applicable requirements at the time of delivery to Colonial Savings for Servicing and the noncompliance is curable, Colonial Savings will take appropriate action to remedy the defect at the expense of the Selling PFI. Colonial Savings will bill the Selling PFI and collect all expenses directly from the Selling PFI.

8.2 Incurable Defects / Breach of PFI Sale Agreement

If Colonial Savings and the Selling PFI are unable to resolve material issues related to file delivery and loan boarding, the Selling PFI will be required to repurchase the Serviced Mortgage from the MPF Bank. The Selling PFI must repurchase the loan in accordance with Chapter 24.3.2 of the Origination Guide.

In the event the Selling PFI is required to repurchase a Serviced Mortgage or if the Selling PFI is otherwise required to pay the SRP Refund, the Selling PFI will be required to pay to Colonial Savings the SRP Refund for the Mortgage in accordance with the PFI Servicing Sale Agreement. In either case, the SRP Refund will be collected by the MPF Bank and refunded to Colonial Savings in accordance with Chapter 8.5 of this Manual. In the event that Servicing must be transferred back to the Selling PFI, both Colonial Savings and the Selling PFI will be required to provide proper notice to the Borrower of the transfer as required by Applicable Law.

8.3 Early Payment Default

If a Serviced Mortgage default occurs within six (6) months after the Sale Date and such default results in Foreclosure, Colonial Savings will be entitled to reimbursement by the Selling PFI of the entire SRP paid for the Mortgage Servicing upon completion of Foreclosure. The SRP will be collected in accordance with Chapter 8.5 of this Manual.

8.4 Early Payoff

If a Serviced Mortgage pays off (or otherwise liquidates) within ninety (90) days after the Sale Date, Colonial Savings will be entitled to reimbursement by the Selling PFI for the entire SRP paid for the Mortgage Servicing. The SRP will be collected in accordance with Chapter 8.5 of this Manual.

8.5 Funds Repayment

Funds from the Selling PFI (including but not limited to SRP Refund) will be drafted on the fifth (5th) Business Day of the month following the accounting cycle in which the issue is identified, or in the case of default or payoff, following completion of Foreclosure or payoff, and credited to Colonial Savings on the same day. If applicable, loan level SRP Refund information will be supplied to the Selling PFI by Colonial Savings on the fifth (5th) Business Day of each month in the form of the Servicing Released Premium (SRP) Statement (Exhibit 9).

9 CHAPTER 9 SERVICING

9.1 General Servicing

Under this structure Colonial Savings will service the Mortgages in accordance with the Guides and the PFI Agreement.

Colonial Savings may, at its discretion, charge the Borrower for changes made to the mortgage account. As an example, this would include items such as Loan modifications on Conventional Loans. The Borrower should contact the Colonial Savings Customer Service Department for any additional information or questions as shown in the Colonial Savings Contact Information (Exhibit 2).

9.2 Servicing Reports for the Selling PFI

Monthly the MPF Provider will make available via the eMPF[®] website, the following reports for the Serviced Mortgages:

- Pool Detail Report
- Active Master Commitment Summary Report (provides Credit Enhancement information for each Concurrent Sale Master Commitment.

9.3 Customer Service

Borrower inquiries should be directed to the Colonial Savings Customer Service Department as shown in the Colonial Savings Contact Information (Exhibit 2).

9.4 Fees Paid by the MPF Bank

The MPF Bank will pay the following fees:

- **Credit Enhancement Fees** – The Selling PFI will be entitled to all Credit Enhancement Fees, if any, for the Serviced Mortgages in accordance with the Guides.
- **Servicing Fees** – Colonial Savings will be entitled to the Servicing Fees for the Serviced Mortgages in accordance with the Guides and the PFI Servicing Sale Agreement.

9.5 Coupon Book

Upon completion of loan boarding, Colonial Savings will send a coupon booklet to the Borrower. In the event that the coupons are not received in time for the first payment, the Borrower should send the payment as directed in the Selling PFI Goodbye / Colonial Savings Welcome Letter (Exhibit 4). The Borrower or Selling PFI may contact the Colonial Savings Customer Service Department (see Colonial Savings Contact Information (Exhibit 2)).

9.6 Payment Processing

Processing and application of Borrower Principal and Interest Payments will be managed by Colonial Savings following the Sale Date. Borrower payments and other funds related to the Serviced Mortgage which are received by a Selling PFI after the Sale Date must be endorsed to the order of Colonial Savings, F.A. and forwarded by overnight mail to the address shown in the Colonial Savings Contact Information (Exhibit 2). The Selling PFI must **not** issue receipts for payments received or indicate that immediate credit will be given. Payments will **not** be considered received until processed by Colonial Savings in Fort Worth, Texas.

Payments sent directly to Colonial Savings by the Borrower should be directed to the address designated in the Colonial Savings Contact Information (Exhibit 2).

9.7 Custodial Account Management

Colonial Savings will manage the Custodial Accounts related to the Serviced Mortgages and the monthly remittance of funds to the MPF Bank.

9.8 Escrow Account Management

Following the wire transfer of Escrow Funds from the Selling PFI to Colonial Savings, the payment of applicable insurance and property taxes, as well as the Borrower Escrow Payment analysis, will be managed by Colonial Savings. Insurance correspondence and tax bills, which are received by a Selling PFI after the Sale Date of a Serviced Mortgage, must be forwarded by overnight mail to the address shown in the Colonial Savings Contact Information (Exhibit 2).

9.9 Default Management

In the event of Borrower default, Colonial Savings will perform all delinquency management (including collection, Foreclosure, short sale, bankruptcy management, REO, and other related duties). Colonial Savings will continue to service the Serviced Mortgage through Foreclosure and disposal of the Mortgaged Property. During this time, Colonial Savings will be responsible for all necessary advances.

For Conventional loans, upon disposal of the Mortgaged Property, Colonial Savings will prepare and submit to the Master Servicer a Calculation of Realized Loss (Gain) (Servicing Guide Form SG332) for the Serviced Mortgage. Any loss resulting from Colonial Savings' lack of adherence to the Guides will be disallowed and not included in Realized Loss. The Selling PFI will be responsible for the portion of the Realized Loss allocable to the Credit Enhancement. Any gains will be handled in accordance with the Servicing Guide.

For Government Loans, Colonial Savings will convey the property in accordance with current Government regulations and MPF Program guidelines.

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Complete and return as required by Chapter 1 of this Manual.

Contact Purpose	Selling PFI Contact Information
Selling PFI Name:	
Selling PFI Number:	
Street / Overnight Delivery Address:	
Mailing Address (if different than above):	
Selling PFI Toll-Free Telephone Number:	
Selling PFI Main Telephone Number:	
Selling PFI Borrower Correspondence Address (if different from above):	

Selling PFI Contact	Telephone	Facsimile	E-mail
Primary Contact:			
Secondary Contact:			
Funding Contact*:			

* The person who should be made aware of items such as SRP payments / refunds and debits / credits to the PFI's account with the MPF Bank.

Selling PFI Wire Instructions:	Information
Depository Name	
Address	
City, State, Zip Code	
ABA Number (9 digits)	

NOTE: BORROWERS SHOULD BE GIVEN ONLY THIS INFORMATION

BORROWER CUSTOMER SERVICE INQUIRES OR PAYMENTS SENT DIRECTLY BY THE BORROWER:	Colonial Savings, F.A. P.O. Box 2988 Fort Worth, TX 76113 Attention: (choose one) Customer Service or Payment Processing 800-937-6002 E-mail: custserv@colonialsavings.com Website: www.colonialsavings.com Hours of operation: 8 a.m. to 5 p.m. Central Time
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FOR SELLING PFI USE ONLY:

Contact Purpose	Colonial Savings Contact Information
Ship Servicing Files and final / recorded documents to: (See Chapters 6.1, 6.2 and 0)	Colonial Savings, F.A. 2626B West Freeway Fort Worth, TX 76102 Attention: Servicing Manager Send inquiries to: recordservices@colonialsavings.com
Mortgagee Clause for insurance and flood certificate (See Chapters 6.8)	Colonial Savings, F.A. Its Successors and/or Assigns Dept. 054 P.O. Box 2988 Fort Worth, TX 76113-2988
Wire transfer of Escrow Funds to: (See Chapter 6.6)	Colonial Savings, F.A. ABA Number 311972238 Attention: Mort Acct Mgr - MPF Flow Escrow For MPF Loan Number _____ Borrower Name _____
Borrower payments received by the Selling PFI: (See Chapter 9.6)	Colonial Savings, F.A. 2626B West Freeway Fort Worth, TX 76102 Attention: Payment Processing
Insurance correspondence and tax bills received by the Selling PFI: (See Chapter 9.8)	Colonial Savings, F.A. 2626B West Freeway Fort Worth, TX 76102 Attention: Escrow Department

Colonial Contact	Department	Phone / Facsimile / E-mail
Barbara Steward	Mortgage Accounting / Payments	817-390-2281 817-390-2316 (fax) barbara@colonialsavings.com
Terry Mobly	Taxes and Insurance	817-877-9065 817-877-9092 (fax) terry@colonialsavings.com

Colonial Contact	Department	Phone / Facsimile / E-mail
Tom Tallent	Customer Service	817-877-9016 817-390-2313 (fax) thomast@colonialsavings.com
Barry Baker	Default Management	817-390-2236 817-390-2345 (fax) barry@colonialsavings.com
Cary Adams	Servicing Manager	817-390-2254 817-877-9092 (fax) cary@colonialsavings.com

OTHER CONTACT INFORMATION

Contact Purpose	Contact Information
MPF Program Custodian (See Chapter 5 of this Manual and Chapter 24 of the Origination Guide)	Wells Fargo Bank, N.A. MPF Program / Private Certifications 751 Kasota Avenue, Suite MDC Minneapolis, MN 55414 Telephone: (877) 886-5400 Fax for initial / final certifications, copy requests and research requests: (612) 667-0190 Fax for release requests and release status changes: (612) 466-6372

Effective Date:



**MPF® Program / Colonial Savings
Concurrent Sale of Servicing
Servicing Released Premium (SRP) Schedule**

**Conventional Loans - 30 year
Assumes 25 bps Servicing Fee**



<u>State</u>	<u>\$0 - \$69,999</u>	<u>\$70 - \$124,999</u>	<u>\$125K - \$224,999</u>	<u>\$225K - Conf. Limit</u>
Alabama				
Alaska				
Arizona				
Arkansas				
California				
Colorado				
Connecticut				
Wash. DC				
Delaware				
Florida				
Georgia				
Hawaii				
Idaho				
Illinois				
Indiana				
Iowa				
Kansas				
Kentucky				
Louisiana				
Maine				
Maryland				
Massachusetts				
Michigan				
Minnesota				
Mississippi				
Missouri				
Montana				
N Carolina				
N Dakota				
Nebraska				
Nevada				
New Hampshire				
New Jersey				
New Mexico				
New York				
Ohio				
Oklahoma				
Oregon				
Pennsylvania				
Rhode Island				
S Carolina				
S Dakota				
Tennessee				
Texas				
Utah				
Vermont				
Virginia				
Washington				
West Virginia				
Wisconsin				
Wyoming				

All-in Execution = Scheduled/Scheduled Asset Price + SRP + CE Fee

Reduce SRP by these amounts:	
< 30 >= 20 year:	(0.15)
< 20 >= 15 year:	(0.20)
< 15 >= 10 year:	(0.25)

Volume Incentive
<p><u>5 bps (0.05%) Bonus:</u> For all loans delivered in a given month: if loans boarded for that month are ≥ \$5M and < \$10M.</p> <p><u>10 bps (0.10%) Bonus:</u> For all loans delivered in a given month: if loans boarded for that month are ≥ \$10M.</p>

<p>The SRP will be reduced by 25 bps (0.25%) if the loan does not escrow for both tax and insurance.</p> <p>Escrow Account can not be waived if:</p> <ul style="list-style-type: none"> * Loan amount is less than \$50,000 or, * LTV is greater than 80% or, * Any borrower's Credit Score is less than 620 <p>Processing Fee: \$100 Tax Service Fee: \$89</p>

To obtain a current copy of the Colonial SRP schedule, please visit Colonial Savings' Community Bankers Mortgage website at <http://fhlb.cbankers.com> and select "SRP". You can also call the MPF Program Help Desk at 877-463-6673.

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<Selling PFI Letterhead>



<Date>

<Borrower 1>
<Borrower 2>
<Street>
<City> <State> <Zip Code>

Re: <Mortgaged Property Address>

Dear Mortgagor:

Effective <Sale Date + 10 days or estimated Sale Date if sooner>, the servicing of your mortgage (that is the right to collect payments from you) will be transferred from <Selling PFI> to Colonial Savings. This is the date that Colonial Savings will begin accepting your mortgage payments. All other aspects of your loan will remain the same. This transfer does not affect any of the terms of your mortgage other than the terms directly related to the servicing of your loan.

Your lender is <Selling PFI>. If you have questions related to the origination of your loan or other questions you wish to direct to <Selling PFI>, please contact the <Selling PFI> customer service department at the address and telephone number below.

<Selling PFI>
Attention: _____
<Selling PFI's address – line 1>
<Selling PFI's address – line 2>
<Selling PFI's toll free phone number>

Beginning with your first payment, all mortgage payments should be made payable to Colonial Savings. A payment coupon book will be sent to you by Colonial Savings under separate cover. If you do not receive a payment coupon book prior to your first payment due date, please write your <Selling PFI> loan number on your check and mail it to the address below. If you have questions, please call the Colonial Savings customer service department at the number below. If you want to send Colonial a "Qualified Written Request" (defined below) regarding the servicing of your loan, please direct it to the address below.

Colonial Savings, F.A.
Attention: Customer Service
P.O. Box 2988
Fort Worth, TX 76113
(800) 937-6002

In the next few weeks, Colonial Savings will assign you a new loan number and will notify you of the number. Please use that Colonial loan number when corresponding with Colonial Savings about your mortgage loan.

Colonial Savings offers you three different automatic bank draft payment plans for your mortgage payment:

1. Monthly Draft Plan (MDP) – Your full monthly mortgage payments drafted on the 1st of each month.
2. Convenience Pay Plan (CPP) – Budget your monthly payment with twice monthly installments.
3. Interest Saver Program (ISP) – Save thousands of dollars in interest expense with the convenience of installments every two weeks or twice per month.

Each of these plans is offered to you without an enrollment fee, if you enroll within the next six months. You will receive a letter from Colonial Savings describing each of these plans in greater detail. If you wish to inquire, call either (817) 390-2067 or toll free (888) 477-2728.

You should also be aware of the following information, which is set out in detail in Section 6 of the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2605).

During the 60-day period following the effective date of the transfer of loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Section 6 of RESPA also gives you certain consumer rights. If you send a "Qualified Written Request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 business days of receipt of your request. A "Qualified Written Request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reason for the request.

EXHIBIT 4 SELLING PFI GOODBYE / COLONIAL SAVINGS WELCOME LETTER

Not later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60 business day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request. However, this does not prevent the servicer from initiating foreclosure if proper grounds exist under the mortgage documents.

A business day is a day on which the offices of the business entity, in this case Colonial Savings, are open to the public for carrying on substantially all of its business functions.

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section. You should seek legal advice if you believe your rights have been violated.

<Name of Selling PFI, in bold and capital letters>

<Date>

COLONIAL SAVINGS, F.A.

<Date>

Borrower Name	
MPF Loan Number	

The Selling PFI must send all required original custodial documents to the MPF Program Custodian (see Chapter 5 of this Manual, Chapter 24 of the Origination Guide, and Other Contacts listed in the Colonial Savings Contact Information (Exhibit 2)).

The Selling PFI should send the following documents in the order listed below to Colonial Savings. See Chapters 6.1 and 6.2 for delivery time frame and Servicing File packing requirements. See Colonial Savings Contact Information (Exhibit 2) for shipping address.

- ___ 1. Servicing File Checklist (Exhibit 5) with enclosed items checked.
- ___ 2. Selling PFI Goodbye / Colonial Savings Welcome Letter (Exhibit 4).
- ___ 3. All required disclosures including RESPA and TIL disclosures.
- ___ 4. Mortgage / Deed of Trust.
- ___ 5. Loan application.
- ___ 6. Note with all riders and addenda.
- ___ 7. Settlement Statement / HUD 1.
- ___ 8. Conventional loans: Mortgage Insurance (MI) certificate (if applicable) and notice letter to MI Company that Servicing has been transferred to Colonial Savings.
FHA loans: Copies of the insuring package or a copy of the mortgage insurance certificate (MIC) issued by FHA.
All others: Copies of the insuring package or a copy of the loan guarantee certificate.
- ___ 9. Hazard insurance policy with Mortgagee clause to Colonial Savings, F.A. or if not in Colonial’s name, a Mortgagee Letter (see sample in Exhibit 11), as required by Chapter 6.8.1.
- ___ 10. Flood zone determination certificate with life of loan coverage provided by an approved vendor (see Chapter 6.8.2) with coverage to Colonial Savings, F.A., or if not in Colonial’s name, a Mortgagee Letter (see sample in Exhibit 11), as required by Chapter 6.8.1.
- ___ 11. Flood insurance policy (if applicable) with Mortgagee clause to Colonial Savings, F.A. or if not in Colonial’s name, a Mortgagee Letter (see sample in Exhibit 11), as required by Chapter 6.8.1.
- ___ 12. Tax Information Sheet (Exhibit 10), as required by Chapter 6.7.
- ___ 13. Tax Bill Authorization in the form of Exhibit 7, which was sent to the taxing authority by the Title Company at Closing to indicate the change in Servicer.
- ___ 14. Appraisal.
- ___ 15. Title commitment.
- ___ 16. Wire transfer confirmation for Escrow Funds and competed Escrow Funds Reconciliation (Exhibit 8), as required buy Chapter 6.6 of this Manual.
- ___ 17. Request for Taxpayer Identification Number and Certification (IRS Form W9).
- ___ 18. Underwriting file (including documents required by Chapters 27.10 and 27.15-27.20 of the Origination Guide).

Prepared by _____ Date _____

Telephone _____

Email Address _____

Borrower Name	
MPF Loan Number	

The Selling PFI must send all required original custodial documents to the MPF Program Custodian (see Chapter 5 of this Manual, Chapter 24 of the Origination Guide, and Other Contacts listed in the Colonial Savings Contact Information (Exhibit 2)).

Originals of the following documents should be sent to Colonial Savings in the order listed below. This checklist must be attached to the recorded / final documents sent for each Serviced Mortgage. See Chapters 6.2 and 6.9 for delivery time frame and file packing requirements. See Colonial Savings Contact Information (Exhibit 2) for shipping address.

Check documents that are attached to this checklist:

- ___1. Recorded Security Instrument.
- ___2. Final title policy and endorsements or final title opinion.
- ___3. Recorded Intervening Assignments.
- ___4. Recorded Intervening Assignment from selling PFI to Colonial Savings.
- ___5. For New York properties only, recorded Consolidation Extension Modification Agreement (CEMA)
- ___6. Recorded Power of Attorney (if recording is required).
- ___7. A copy of the applicable Government Agency mortgage insurance certificate or loan guaranty certificate.

Prepared by _____ Date _____

Telephone _____

Email Address _____



Borrower Name	
MPF Loan Number	

AUTHORIZATION

Tax identification number: _____

Tax Assessor / Collector

<address>

<address>

Dear Tax Assessor / Collector:

I hereby request that you send all future real estate tax bills for the property located at the address indicated below, to:

**Colonial Savings, F.A.
Escrow Department 054
P.O. Box 2988
Fort Worth, TX 76112**

Property Address: _____

This authorization should continue in effect until I notify you otherwise or until I sell this property.

Signature _____ **Date** _____

Signature _____ **Date** _____

Borrower Name	
MPF Loan Number	

The Escrow Funds Reconciliation (Exhibit 8) should be used as required by Chapter 6.6 and funds wired according to the Colonial Savings Contact Information (Exhibit 2). This reconciliation and wire transfer confirmation should be included in the Servicing File.

Funds collected at closing and wire transferred to Colonial Savings on _____.	
	(date)
Property Taxes	\$ _____
Hazard Insurance	\$ _____
Mortgage Insurance	\$ _____
Flood Insurance	\$ _____
Aggregate Adjustment Amount	\$ _____
TOTAL	\$
Monthly mortgage payment to be collected from the Borrower by Colonial Savings (or attach a "First Payment Letter", if prepared).	
Principal & Interest	\$ _____
Property Taxes	\$ _____
Hazard Insurance	\$ _____
Monthly Mortgage Insurance	\$ _____
Flood Insurance	\$ _____
Other (specify escrow type) _____	\$ _____
TOTAL	\$

Prepared by _____ Date _____

Telephone () _____ E-mail Address _____



EXHIBIT 9

SERVICING RELEASED PREMIUM (SRP) STATEMENT

Colonial Savings, F.A.
 MPF® Program - Concurrent Sale of Servicing
 Servicing Released Premium (SRP) Statement
 For the month ending 5/31/03

Codes *
1 - Funding
2 - Early Payoff
3 - Early Payment Default
4 - Adjustment

[PFI Name] - PFI# [XXX]

Colonial <u>Ln #</u>	PFI <u>Ln #</u>	MPF <u>Ln #</u>	<u>Code *</u>	DC Entry <u>Date</u>	<u>Loan Type</u>	<u>Rate</u>	<u>Prin Bal</u>	<u>SRP</u>	<u>Gross SRP</u>	Tax Svc <u>Fee</u>	Processing <u>Fee</u>	Escrow <u>Waiver</u>	<u>Net SRP</u>
123456	7891011	987654	1	4/8/2003	15 yr fixed	5.25%	\$170,000.00	0.725	\$1,232.50	(\$89.00)	(\$100.00)		\$1,043.50

Colonial Savings, F.A. Contact Information: Name: Ben Dempsey; Phone#: 817-390-2252

[Selling PFI Letterhead]

[DATE]

Insurance Company
or Flood Certificate Vendor
Street Address
City, State ZIP

MPF Loan Number:
Insurance Policy Number:
Insurance Company:
Insured: Borrower
 Co-Borrower

To Whom It May Concern:

In connection with the captioned mortgage account, servicing has been transferred and the mortgagee clause should read:

Colonial Savings, F.A.
Its successors and / or Assigns
Dept. 054
PO Box 2988
Fort Worth, TX 76113-2988

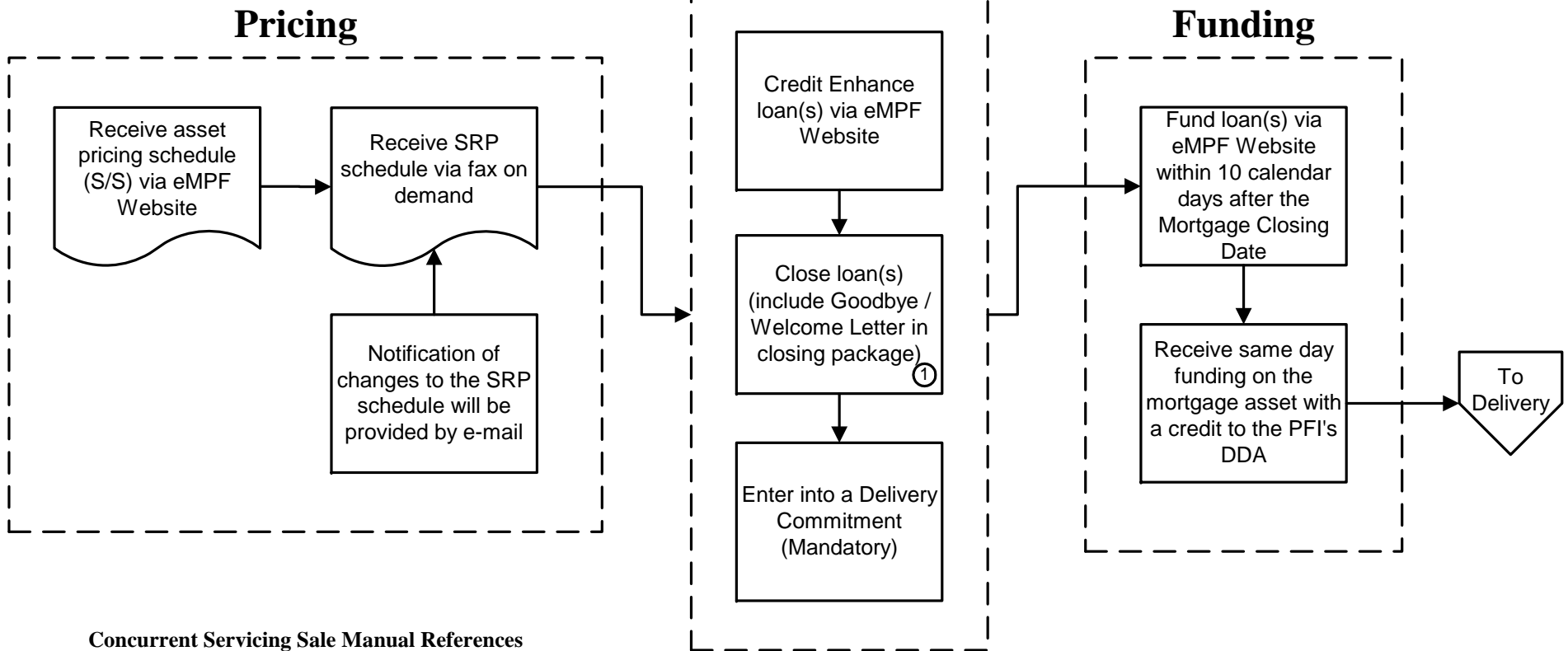
Please include the MPF loan number on all correspondence sent to Colonial Savings.

Thank you for your prompt attention in responding to this request.

Sincerely,

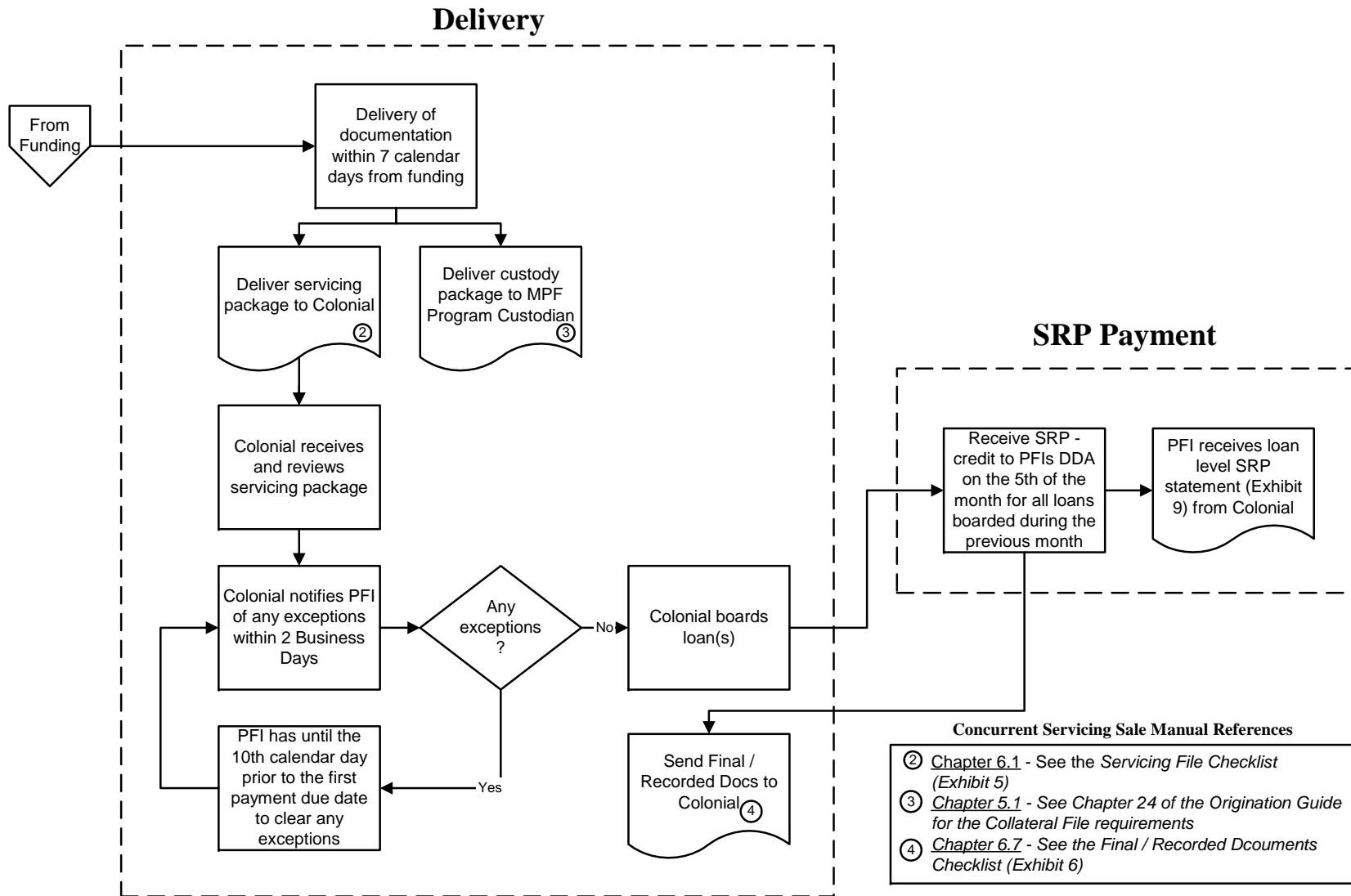
[Selling PFI Contact]

Credit Enhancement, Closing, & Delivery Commitment



Concurrent Servicing Sale Manual References
 ① Section 4.3 - Use the *Selling PFI Goodbye / Colonial Savings Welcome Letter (Exhibit 4)*

**The above process steps can
completed in any sequence**



Unless a different definition is specifically required in a particular document or context, the following words and phrases shall have the meanings specified below when they are used in this Manual:

Sale Date	The date of purchase of a Serviced Mortgage by the MPF Bank.
Serviced Mortgage	A Fixed Rate Loan originated by a Selling PFI and sold to its MPF Bank at the same time that Servicing for the loan is transferred to Colonial Savings.
Servicing Released Premium / SRP	The price paid to the PFI by Colonial Savings for the associated Servicing Rights.
Servicing Released Premium Percentage / SRP Percentage	The SRP stated as a percentage of the Principal Balance of the Mortgage(s).