

LOAN SERVICING AGREEMENT

This Loan Servicing Agreement is entered into on the ___th day of _____, 20___, by and between ***** **Habitat for Humanity**, mailing address of: ***** (hereafter referred to as “Client” and Multi-Financial Services Co., Inc., 2580 Care Drive, Suite #2, Tallahassee, Florida 32308 (hereafter referred to as “Contractor”).

A. SCOPE

The Client operates a housing finance program for the development and/or rehabilitation of housing for eligible citizens. As part of the housing finance program, the Client approves loans to qualified home owners/purchasers. The Contractor will be responsible for servicing these loans as indicated below.

B. DEFINITIONS

Unless otherwise defined in this contract, the following definitions shall apply:

1. Active Loans - any loan currently being serviced by the Contractor;
2. Borrower – the eligible citizen(s) responsible for the repayment of the loan approved and funded by Client;
3. Deferred Loan – loans which do not have a regular amortizing payment schedule and can normally be “due on sale” of the property or have a “forgiveness” amount deducted from the loan’s balance on an agreed on time schedule based on homeownership;
4. Non-deferred Loan – loans which do have a regular amortizing payment schedule with principal and interest payments on a regular time basis, e.g. monthly, quarterly, semi-annually, or annually.
5. Escrows: Accounts being escrowed, consist of the following escrows (initial all that Apply):
 - ___ County Taxes for _____ County
 - ___ City Taxes for _____ City
 - ___ Homeowner’s Insurance
 - ___ Other: _____
 - ___ Other: _____
 - ___ Other: _____

(NOTE: All escrows are paid ONE time per year unless otherwise indicated)

C. CONTRACT PERIOD

1. Effective Date

This contract shall become effective on the date indicated above and continue until canceled as indicated below.
2. Cancellation of Agreement

This contract may be cancelled by either party upon issuance of a written notice of cancellation to the other party. The notice of cancellation shall be submitted in writing no later than 30 days prior to the effective date indicated in the notice.

D. PAYMENTS TO CONTRACTOR

1. Payment Schedule

The Contractor shall be entitled to receive payment in accordance with the following terms:

- **Setup Fee: Existing Loans:** Contractor shall received \$_____ per existing individual loan being transferred to Contractor by Client; this increases to \$____. per existing loan for existing multi-investor loans and includes notification to County and City taxing authorities and Hazard Insurance and payments once a year for each. Client, to forward all future invoices/bills to Contractor. Any additional escrows are \$_____ each for notification of the appropriate company/ government entity;
- **Setup Fee: New Loans:** Contractor shall receive \$_____ per loan for the setup of each account referred to the Contractor by the Client for servicing; this increases to \$_____ per loan for multi-investor loan setups. Both fees include notification to County and City taxing authorities and Hazard Insurance Company to send all future invoices/bills to Contractor. Any additional escrows are \$_____ each for notification of the appropriate company/government entity;
- **Monthly Fee:** Contractor shall receive \$_____ per month, per account, for each regular (non-deferred) account serviced by the Contractor during the month.
- **Yearly Fee** – Contractor will also receive a fee of \$_____ per deferred loan for each yearly “forgiveness amount” deducted in the anniversary month of each deferred loan.
- **Late Fees** – Contractor shall retain all late fees assessed;

Collections Fees

- **Extension Agreements** – Other than a \$10 fee to the Borrower, there is no fee to the Client;
- **10-Day Bring Current Letter** – If Contractor is directed to send a “10-Day Bring Current Letter” to a delinquent borrower, the Contractor shall receive \$_____ per letter plus reimbursement for postage sent during any month.
- **Forbearance Agreements** – A minimum fee of \$100 will be charged for the development and execution of a forbearance agreement with the Borrower. The total fee will be based on time expended on development of the Agreement in working with the Borrower and/or Client over five (5) hours at a rate of \$50/hour.
- **Bankruptcy, Foreclosure, and Other Legal Action Assistance Fees:**
 1. Contractor shall receive \$75.00 per hour reimbursement for assisting Client’s designated counsel should the need ever arise;
 2. Contractor shall receive \$50.00 per hour for working with its

own contracted counsel plus counsel's fee. Counsel's per hour fee will be disclosed in writing to Client yearly. Contractor's counsel's fee will be paid monthly by Client through deduction from Client's remittance of monthly funds, with appropriate documentation provided of work performed;

3. Contractor shall receive \$50.00 per hour for working with a Property Maintenance Company in maintaining foreclosed properties. Property maintenance standard fees will be disclosed in writing to Client yearly. Property management fees to be paid monthly by Client through deduction from Client's remittance of monthly funds, with appropriate documentation of work done;
 4. Contractor will receive \$50 per hour for working with a licensed real estate sales company which will initiate and oversee the sale of any foreclosed property.
3. Servicing Fees, Legal Fees, and All Other Fees Due to Contractor - Payment Method
All payments due the Contractor under this agreement, including legal and property management fees shall be deducted from the total payments from borrowers that are received by the Contractor during the calendar month. The remaining balance of borrower payments received by the Contractor during the month shall be forwarded to the Client, in the form of a check, no later than the 15th of the month immediately following the month in which the payment was received.

E. CLIENT RESPONSIBILITIES

1. The Client will accept applications for loans and determine the eligibility of all loan applicants. The acceptance of loan applications shall be at the sole option of the Client and not be the responsibility of the Contractor.
2. The Client will process all loan applications and financing arrangements, including, but not limited to, the execution of all promissory notes and mortgages. After all necessary forms and documents have been executed; the Client will send the Contractor a copy of the promissory note along with the Contractor's Loan Setup Form.
3. The Client will inform the Contractor:
 - (a) If an escrow account has been established;
 - (b) Whether the escrow account requires monitoring by the Contractor for taxes, insurance, homeowner association or other miscellaneous escrow fees and, if so:
 - i. Forward a check for escrow monies collected at closing;
 - ii. Forward a copy of the latest invoices for taxes, insurance, and/or all miscellaneous escrow accounts.

F. KEY PERSONNEL OF CLIENT

The Key Personnel specified in this contract are considered essential to the work being performed by the Contractor. As appropriate, the list of key personnel may be modified during the term of the Contract to either add or delete personnel. The following key personnel are provided hereunder:

NAME	TITLE	RESPONSIBILITY	EXTENSION

G. CONTRACTOR RESPONSIBILITIES

1. Loan Servicing

The Contractor shall service all accounts referred to it by the Client. Servicing of an account shall include, but not be limited to, the following:

- a. Setting up an account when received from the Client;
- b. Printing and mailing couponbooks with preaddressed labels;
- c. Providing Borrower with a 1-800 number they can call should they have any questions or concerns about their loan;
- d. Daily receipt of borrower payments and input into their loan servicing accounting system;
- e. Printing and mailing past due notice on accounts that remain unpaid beyond the grace period;
- f. Printing and mailing a second past due notice when a loan is 10 days past the grace period;
- g. Calling the Borrower when the account is over 30 days past due;
- h. Recommending to the Client that a “10-Day Bring Current” letter be sent to Borrowers approaching 60 days past due;
- i. Submission of management, reconciliation reports, and check for the “net of fees due” by the 15th of the following month. “Net of Fees Due” shall mean all monies received from borrowers during the calendar month minus the service and processing fees outlined above, and payments received in prior month(s) as insufficient and not collected during the current month yet previously paid to Client;
- j. Contacting the Client via fax when a loan payoff for any borrower has been requested by an outside organization or company;
- k. Advanced Collections Responsibilities – (Extension Agreements, Bankruptcy, 10-Day Bring Current, Foreclosure, Property Management, and Sale of Property): (initial all that apply)

Extension Agreements

____ Contractor is authorized to develop and execute a Payment Extension Agreement for borrowers it deems would be assisted to relieve short term payment problems;

____ Contractor is NOT authorized to develop and execute a Payment Extension Agreement unless approved by Client in writing;

Bankruptcy Proceedings

____ Contractor WILL BE responsible for following the proceedings of a Borrower's bankruptcy filing and hiring required legal assistance.

____ Contractor WILL NOT be responsible for following the proceedings of a Borrower's bankruptcy filing;

10-Day Bring Current Letter

____ Contractor WILL be responsible for automatically sending out the 10-Day Bring Current certified letter at a time it feels is appropriate in the collection process;

____ Contractor is NOT to send out a 10-Day Bring Current certified Letter until approved by Client in writing;

Forbearance Agreement

____ Contractor WILL BE responsible for the development and execution of a Forbearance Agreement with a Borrower when it deems one is appropriate;

____ Contractor WILL NOT be responsible for development and execution of a Forbearance Agreement with Borrowers;

Foreclosure Process

____ Contractor WILL BE responsible for the foreclosure process including the hiring of legal counsel and other resources needed to institute and finalize a foreclosure once the 10-Day Bring Current Letter's time period has sufficiently passed;

____ Contractor WILL NOT be responsible for foreclosure of any Borrower's property;

Property Management

____ Contractor WILL BE responsible for maintaining foreclosed Properties once a foreclosure is complete;

____ Contractor WILL NOT be responsible for maintaining foreclosed properties;

Sale of Foreclosed Property

____ Contractor WILL be responsible for hiring a real estate company for managing the sale of any foreclosed property;

____ Contractor WILL NOT be responsible for hiring a real estate company for managing the sale of foreclosed property.

2. Monthly Reports

The Contractor shall provide to the Client monthly reports on account transactions. These reports shall include:

- An Account Summary Report showing all accounts being serviced by the Contractor;
- A Payment Summary Report showing all payments made during the month for each account;
- A Delinquency Report summarizing all accounts pastdue as of the end of the month and amount totally pastdue;
- An Aging Report for each account;
- A Reconciliation Report summarizing monies received during the month, servicing fees charged, and Net Amount Due.

3. Escrow Accounts

The Contractor shall maintain all borrower escrow accounts for the Client. The services to be provided (but not limited to) by the Contractor are as follows:

- Deposit and post incoming escrow payments from borrowers for Client.
- Contractor will contact each taxing authority, insurance agent, and/or other escrow authorities to forward new bills to Contractor's office.
- Contractor will pay each escrow bill ANNUALLY from the accrued borrower's accounts. Escrow accounts may include City taxes, County taxes, Hazard Insurance, and any other escrowed items previously noted above. Client must inform Contractor of ALL escrows collected in advance.
- Contractor will provide at least per quarter an Escrow Chart of Accounts report summarizing the status of each escrow per borrower.
- Contractor will report to Client all shortages/overages in borrowers' escrow accounts.

Escrow Shortages

To address escrow account shortages which are recognized either at the time of an escrow analysis or after paying a particular escrow item, Contractor has established the, "Affiliate Escrow Contribution Program" and Client may participate in the following manner:

_____ (initial) YES, Client wishes to participate in the Affiliate Escrow Contribution Program in the following manner:

-Maximum escrow payment change amount: \$_____

-Maximum lump-sum Affiliate Escrow Contribution amount: \$_____
 _____ YES _____NO (initial one) Charge the lump-sum amount to the borrower's loan.

_____ (initial) NO, Client does NOT wish to participate in the Affiliate Escrow Contribution Program. Please adjust all borrower loans to the amount necessary to pay future escrow payments required.

4. Interest Statements

Contractor shall be responsible for printing appropriate IRS 1098 Interest Paid forms, mailing same to each Borrower with interest payments more than \$600, electronically submitting this same information to the IRS, and providing a copy of each IRS 1098 form to Client.

5. Licensing

Contractor will be responsible for determining licensing requirements in the Client's state and abide by all necessary laws and regulations pertaining to such. Contractor will either provide proof of licensure in Client's state or, in the event no licensure requirements exist in Client's state, then provide proof of licensure in Contractor's home state.

6. Insurance Coverage

Contractor will provide proof of General Liability and Employee Dishonesty Insurance coverage prior to the signing of this Agreement and have Client shown as Additional Insured within thirty (30) days of the execution of this Agreement.

6. GOVERNING LAW AND SEVERABILITY

This Agreement is governed and interpreted in accordance with the laws of the United States of America and the State of _____. Any and all disputes between the parties that may arise pursuant to this Agreement shall be brought in a court of competent jurisdiction located in client's home city of _____, and in the state of _____. If for some reason a court finds any provision of the Agreement, or portion thereof, unenforceable, that provision of the Agreement shall be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

7. COMPLETE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to loan servicing by the Contractor for the Client and replaces any and all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter.

8. NOTICES

All notices required or permitted under this Agreement shall be in writing. All notices and payments shall be sent to the address shown in the first paragraph of this Agreement or to such other address as may from time to time be designated by written notice. Notices shall be deemed delivered when (a) personally delivered (b) five (5) days after deposit in U.S. registered mail, postage prepaid, addressed to the other party; or (c) one (1) day after facsimile transmission, provided that a hard copy of the facsimile transmission is promptly mailed in the manner set forth in subsection (b) above.

9. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs, and administrators, representatives and assigns; provided that this provision shall not be construed to permit or allow assignments not otherwise allowed under this Agreement.

10. SIGNATURES AND COUNTERPARTS

This Agreement may be executed by original or facsimile signatures and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above,

Multi-Financial Services Co., Inc.
A Florida Corporation

A _____ Corporation

By: _____
 J. Terry Ryan
Its: President

Dated: _____

By: _____

Its: _____

Dated: _____

Federal Tax ID:

Revised: March, 2010 -