



MORTGAGE NETWORK

Your Guide To Understanding Mortgage Servicing

Contact Information for our Loan Servicing Department

Via e-mail: servicing@mortgagenetwork.com
Via Phone 1-800-334-4648 and ask for Loan Servicing Department
Via Mail Loan Servicing Department
Mortgage Network, Inc.
300 Rosewood Drive
Danvers, MA 01923

Understanding Mortgage Servicing

When you apply for a home mortgage, you may think that the lender will hold and service your loan until you pay it off or you sell your house. That's often not the case. In today's market, loans and the rights to service them often are bought and sold.

A home may be one of the most expensive purchases you ever make, so it's important to know who is handling your payments and that your mortgage account is properly credited. Mortgage Network, Inc. wants you to know about how we service your residential mortgage loan.

Our Responsibilities to You as an interim servicer.

Mortgage Network, Inc. (MNI) is responsible for collecting your monthly loan payments and crediting your account, until it is transferred to a permanent servicer. We also handle your escrow account, if you have one.

Escrow Accounts

An escrow account is a fund held by Mortgage Network, Inc. into which you pay money to cover charges like property taxes and homeowners insurance. The escrow payments typically are included as part of your monthly mortgage payments. Mortgage Network, Inc. pays your taxes and insurance as they become due during the year. If you do not have an escrow account, you are responsible for paying your taxes and insurance and budgeting accordingly. Because MNI is a temporary servicer, we may require you to provide us with a copy of the bill in order to make the payments. Once the loan is sold, this will no longer be necessary. If you are not sure who is responsible for making payment, MNI will make sure the bill gets paid (if you have an escrow account).

During the interim period we are responsible for collecting your monthly loan payments and crediting your account. MNI sells its loan to the highest reputable Mortgage Bankers in the industry. We pride ourselves on making sure that you the borrower come first. The transfer process can be confusing to any borrower; during the process, our loan servicing representatives are always available to answer your questions and assist you with the new servicer, should the need arise.

Transfer of Servicing

When your loan is about to be sold, you generally get two notices: one from MNI, the other from your new servicer. In accordance with RESPA, MNI must notify you at least 15 days before the effective date of the transfer, unless you received a written transfer notice at settlement. The effective date is when the first mortgage payment is due at Mortgage Network, Inc.'s address. We must notify you within 15 days after the transfer has occurred. The notice must include:

- Mortgage Network, Inc.'s name and address
- The date the current servicer will stop accepting your mortgage payments
- The date the new servicer will begin accepting your mortgage payments
- Toll-free or collect-call telephone numbers, for the current servicer and Mortgage Network, Inc., for information about the transfer
- Whether you can continue any optional insurance, such as credit life or disability insurance; what action, if any, you must take to maintain coverage; and whether the insurance terms will change.
- A statement that the transfer will not affect any terms or conditions of your mortgage, except those directly related to the servicing of the loan. For example, if your contract says you were allowed to pay property taxes and insurance premiums on your own, Mortgage Network, Inc. will not require you to establish an escrow account.

There is a 60day grace period after the transfer: during this time you cannot be charged a late fee if you mistakenly send your mortgage payment to the old servicer. In addition, the fact that Mortgage Network, Inc. may have received your payment late as a result of you sending your payment to the prior servicer will not be reported to a credit bureau.

Posting Payments

It is important to make payments within the deadlines provided in your Mortgage Note, otherwise late charges may apply. To avoid confusion, keep good records of what you've paid, including any billing statements, canceled checks, or bank account statements. It is important to make payments within the deadlines provided in your Mortgage Note, otherwise late charges may apply. If you have a dispute, continue to make your mortgage payments, but send us a letter (see Sample Complaint Letter to Lender) and keep a copy of the letter and any enclosures for your records. Send your

correspondence by certified mail, and request a return receipt. Or send it by fax and keep a copy of the transmittal confirmation. You can also email your complaint or inquiry to servicing@mortgagenetwork.com

Force Placed Insurance

It's important to maintain the required property insurance on your home. You will be required to provide proof of past insurance at the time of closing. Many times this proof is in the form of an insurance binder which may have expired by the time the loan has been transferred. If you don't Mortgage Network, Inc. is contractually obligated to the mortgage holder to buy insurance on your behalf. This type of policy is known as force placed insurance; it usually is more expensive than typical insurance; and it provides less coverage.

It is not unusual for a new servicer to request that you provide a copy of your property insurance policy. Please respond promptly to these requests regarding property insurance, by having your insurance agent fax them, and keep copies of all documents you send to Mortgage Network, Inc...

If you believe there's a paperwork error and that your coverage is adequate, provide a copy of your insurance policy to us. Even if insurance is purchased for you and later refunded, Mortgage Network, Inc. does not charge any late fees or interest on the premium payments.

Fees

Review your billing statements carefully to make sure that you understand any fees Mortgage Network, Inc. charges. For example, the fees may have been authorized by the mortgage contract or by you to pay for a service. If you do not understand what the fees are for, send a written inquiry and ask for an itemization and explanation of the fees.

Inquiries and Disputes

Under RESPA, Mortgage Network, Inc. must respond promptly to written inquiries, known as qualified written requests (see Sample Complaint Letter to Servicer). If you believe you've been charged a penalty or late fee that you don't owe, or if you have other problems with the servicing of your loan, contact us in writing. Be sure to include your account number and clearly explain why you believe your account is incorrect. Your inquiry should not be just a note on the payment coupon supplied by Mortgage Network, Inc., but should be sent separately to the Loan Servicing Department at 300 Rosewood Drive, Danvers, MA 01923

Within 20 business days of receiving your inquiry, MNI will send you a written response acknowledging it. Within 60 business days, MNI either must correct your account or determine that it is accurate. Mortgage Network, Inc. will send you a written notice of the action it took and why, along with the name and telephone number of someone you can contact for additional assistance.

Do not subtract any disputed amount from your mortgage payment. Payments received in an amount less than the normal monthly amount require special handling and may also result in late fees or place your loan in default.

Sample Complaint Letter to Servicer

The following is a sample qualified written request from you, the borrower, to a lender. Use this format to address complaints under the Real Estate Settlement Procedures Act (RESPA).

Xxxx ##, 2006

*Attention: Customer Service
Subject: Your Loan Number
Your Name
Your Address
Your City, State Zip*

This is a "qualified written request" under Section 6 of the Real Estate Settlement Procedures Act (RESPA).

I am writing because:

- *Describe the issue or the question you have and/or what action you believe the lender should take.*
- *Attach copies of any related written materials.*
- *Describe any conversations with customer service regarding the issue and to whom you spoke.*
- *Describe any previous steps you have taken or attempts to resolve the issue.*
- *List a daytime telephone number in case a customer service representative wishes to contact you.*

I understand that, under Section 6 of RESPA, you are required to acknowledge my request within 20 business days and must try to resolve the issue within 60 business days.

Sincerely,

Your Name

Fair Debt Collection Practices

By law, a debt collector is a person who regularly collects debts owed to others. Mortgage Network, Inc. is considered a debt collector only if at the time NMI became the servicer and/or your loan was in default at the time of the transfer. If that's true, you have additional rights. For more information on your rights under the Fair Debt Collections Practices Act go to www.ftc.gov/os/statutes/fdcpa/fdcpact.htm.

Your Credit Report

Mortgage Network, Inc. may provide information about your payment history to credit bureaus, companies that maintain and sell consumer credit reports — which contain information about your credit payment history — to other creditors, employers, insurers, and businesses. Both the credit bureaus and MNI have responsibilities for correcting inaccurate or incomplete information.

If you believe that MNI has provided inaccurate information to a credit bureau, contact the credit bureau. Tell the credit bureau in writing (see Sample Dispute Letter to Credit Bureau) what information you believe is inaccurate. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute, state the facts, and explain why you dispute the information, and request deletion or correction. You may want to enclose a copy of your report with the items in question circled. Send your letter by certified mail, return receipt requested, so you can document what the credit bureau received. Keep copies of your dispute letter and enclosures.

Credit bureaus must reinvestigate the items in question — usually within 30 days — unless they consider your dispute frivolous. They also must forward all relevant information you provide about the dispute to Mortgage Network, Inc. After we receive notice of a dispute from the credit bureau, we investigate, review all relevant information provided by you or the credit bureau, and report the results to you or the credit bureau. If Mortgage Network, Inc. finds the disputed information to be inaccurate, we will notify all national credit bureaus so they can correct this information in your file.

Disputed information that cannot be verified must be deleted from your file.

- If your report contains erroneous information, the credit bureau must correct it.
- If an item is incomplete, the credit bureau must complete it. For example, if your file showed that you were late making payments, but failed to show that you were no longer delinquent, the credit bureau must show that you're current.
- If your file shows an account that belongs to another person, the credit bureau must delete it.

When the re-investigation is complete, the credit bureau must give you the written results and a free copy of your report if the dispute results in a change. If an item is changed or removed, the credit bureau cannot put the disputed information back in your file unless Mortgage Network, Inc. verifies its accuracy and completeness, and the credit bureau gives you a written notice that includes Mortgage Network, Inc.'s name, address, and phone number.

Also, if you request it, the credit bureau must send notices of corrections to anyone who received your report in the past six months. If a re-investigation does not resolve your dispute, ask the credit bureau to include your statement of the dispute in your file and in future reports.

Sample Dispute Letter to Credit Bureau

Date

Your Name
Your Address
Your City, State Zip

Complaint
Name of Credit Reporting Agency
Address
City, State Zip

Dear Sir or Madam:

I am writing to dispute the following information in my file. The items I dispute are encircled on the attached copy of the report I received. *(Identify item(s) disputed by name of loan servicer and loan number.)*

This item is *(inaccurate or incomplete)* because *(describe what is inaccurate or incomplete and why)*. I am requesting that the item be deleted *(or request another specific change)* to correct the information.

Enclosed are copies of *(use this sentence if applicable and describe any enclosed documentation, such as payment records, court documents)* supporting my position. Please re-investigate this *(these)* matter(s) and *(delete or correct)* the disputed item(s) as soon as possible.

Sincerely,

Your Name

Enclosures: *(List what you are enclosing)*

If You Have a Complaint

If you believe Mortgage Network, Inc. has not responded appropriately to your written inquiry, contact the Office of the Consumer Ombudsman:

Via e-mail: servicing@mortgagenetwork.com
Via Phone 1-800-334-4648 and ask for Loan Servicing Department
Via Mail Loan Servicing Department
Mortgage Network, Inc.
300 Rosewood Drive, Danvers, MA 01923