

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.

99 Conifer Hill Drive

Danvers, MA 01923

Understanding Mortgage Servicing

Mortgage servicing is the part of the mortgage process that keeps track of your payments and makes sure that your taxes and insurance are paid on time. It is common practice in the mortgage industry for investors to buy and sell servicing rights; since a home may be one of the most expensive purchases you ever make, it's important for you 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.

A Little History

Mortgage Servicing has been in the news quite frequently in the last few years. As several of the larger mortgage lenders failed during the housing crisis or chose to sell off their servicing portfolios, large groups of loans were transferred from bank to bank. Borrowers who were having trouble meeting their obligations were finding that they were lost in the shuffle with nowhere to turn. This led to the creation in 2013 of the Consumer Financial Protection Bureau ("CFPB") that was authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The CFPB is an independent agency of the United States Government and is responsible for consumer protection in the financial sector.

Our Responsibilities to You.

Mortgage Network, Inc. ("MNI") has been providing quality customer service to its borrowers for over 25 years. MNI only sells its loans to the most reputable Mortgage Bankers in the industry. We pride ourselves on making sure that you the borrower comes 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

Sometimes, we will retain the servicing for the life of the loan. If this is the case, you will receive a letter from our servicing office located in New Jersey. This communication will provide you with everything you need to know from where to make payments to how to see if your taxes were paid.

If we are going to transfer the servicing of your loan, you generally will receive three notices.

- (1) from the investor stating that they now own your loan but that they will not be servicing the loan
- (2) a letter from MNI telling you who your new servicer is, and
- (3) a letter from the new servicer stating when they will begin accepting your payments and how to contact them.

In accordance with the Real Estate Settlement Procedures Act ("RESPA"), MNI must notify you at least 15 days before the effective date of the transfer. 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 telephone numbers for Mortgage Network, Inc. and the new servicer. 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. There is a 60-day 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 MNI 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 billing statements, cancelled checks, bank statements, etc. 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. All of our investors (including our NJ servicing office) can accept electronic payments, ACH and pay by phone.

Escrow Accounts

An escrow account is a fund held by MNI into which you pay money to cover taxes and insurance. The escrow payments typically are included as part of your monthly mortgage payments. MNI pays your taxes and insurance as they become due during the year. If we are going to transfer servicing, we may require you to provide us with a copy of the bill in order to make the payments. Once the loan transfers, a tax line will be set up on your account and providing a copy of the physical bill will no longer be necessary. If you do not have an escrow account, you are responsible for paying your taxes and insurance.

Force Placed Insurance

It's important to maintain the required property insurance on your home. Many times the proof of this insurance provided at the time of closing is in the form of an insurance binder which may have expired by the time the loan has been transferred.

If you are not properly covered, MNI has the right to purchase coverage if we have a reasonable basis to believe that force-placement is necessary. 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. A servicer may not assess on a borrower a premium charge or fee related to force-placed insurance unless the servicer has a reasonable basis to believe that the borrower has failed to comply with the mortgage loan contract's requirement to maintain hazard insurance. (Section 1024.37(b))

Fees

Review your billing statements carefully to make sure that you understand any fees MNI 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, MNI must respond promptly to written inquiries, known as qualified written requests. 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 99 Conifer Hill Drive, Danvers, MA 01923

Within 5 business days of receiving your inquiry, MNI will send you a written response acknowledging it. Within 45 business days, MNI either must correct your account or determine that it is accurate. We 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.

Fair Debt Collection Practices

By law, a debt collector is a person who regularly collects debts owed to others. MNI is considered a debt collector only if your loan was in default at the time MNI became the servicer and/or at the time of the transfer. If that's true, you have additional rights. For more information on your rights go to <http://www.consumerfinance.gov/fair-lending/>

Your Credit Report

MNI 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 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 re-investigate 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 MNI. 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 MNI 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 MNI verifies its accuracy and completeness, and the credit bureau gives you a written notice that includes MNI'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, 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**)

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

If You Have a Complaint

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

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www.mortgagenetwork.com

PLEASE CALL US FOR MORE INFORMATION! 1-800-334-4648

98% of our customers would recommend us to you!

99 Conifer Hill Drive, Danvers, MA 01923 — Location authorized to conduct New York regulated mortgage activities MNET Mortgage in lieu of Mortgage Network, Inc. in New York - Licensed Mortgage Banker — NYS Department of Financial Services 108126

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