

POLICY MANUAL

&

STANDARD PRACTICES

of

PACIFIC TRUST DEED SERVICING CO., INC.

(PacTD)

P.O. BOX 697

GRANTS PASS, OR 97528

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Payoffs and Payment Processing

A. Request for Payoff Quotes

We will try to provide all payoff quotes within 24 hours upon receipt of request. All requests should provide the following information:

NAME: _____

ACCOUNT # _____

PROPERTY _____

ADDRESS _____

DATE YOU WANT _____

PAYOFF GOOD THROUGH _____

PER DIEM AMOUNT _____

(if you miss above date)

WHERE YOU WANT QUOTE SENT _____

IS THERE AN ESCROW? YES _____ NO _____

IF YES, PROVIDE CONTACT INFO FOR ESCROW OFFICER:

NAME _____

COMPANY _____

ADDRESS _____

PHONE _____

EMAIL _____

ESCROW # _____

Any demand statement that is an immediate "RUSH" will be assessed a \$20.00 fee in addition to the standard fee.

B. Verifiable Funds on Payoffs

- 1) Incoming Wires – Must include the fee charged by PacTD’s bank along with account number. These funds will not be subject to a hold upon verification of funds.
- 2) Cashier’s checks –
 - A. Local – These will be processed with a one business day hold
 - B. Out-of-state – three to five business day hold.
- 3) Personal checks –
 - A. Local – up to five business day hold.
 - B. Out-of-state (brokerage acct., etc.) – fifteen business days
- 4) Borrowers are responsible for accrued interest through verification of receipt of payoff funds.
- 5) Wiring instructions will be provided upon receipt of official payoff request.
- 6) PacTD may, in its discretion, allow a shorter hold period, or require a longer hold, depending on the verification of funds.

Banking Information

A. Change of ACH Bank Deposits

Payee/Seller may change banking information in regards to their ACH deposits once per term of contract without charge.

PacTD charges a fee of \$25.00 per account for two or more ACH bank notification changes.

This policy also applies to changing from printed checks to ACH deposit.

Any fees may be waived by PacTD in its sole discretion.

B. Non-Sufficient Funds NSF/Returned Checks Policy

NSF checks will be re-deposited a second time unless otherwise noted. NSF checks returned a second time will incur the current NSF fee.

If any payment is returned for other reasons (such as account closed, death of account owner, no account on file, etc.), an automatic NSF/Return Payment fee will apply.

PacTD may, in its sole discretion, cancel automatic payments if one or more payments are returned or rejected.

If two or more checks are returned, PacTD may demand payments be made in guaranteed or certified funds only.

If monthly payment is placed into a holding account by PacTD, payments to Payee/Seller may be delayed.

Change or Modification of Account

A. Notification of Deceased Obligor/Buyers

Upon notification of a deceased Buyer, PacTD expects heirs, successor trustees, or personal representatives to follow the standard procedure for Obligor/Buyer's assumption process.

PacTD requires the following:

1. An original or certified copy of death certificate
2. Copy of current Deed
3. Documents evidencing appointment of Personal Representative or Small Estate Affidavit
4. Copy of Certification of Trust and any amendments indicating Successor Trustee

PacTD will analyze each file on a case by case basis and charge appropriate fees for time per current fee schedule.

B. Notification of Deceased Payees/Sellers

Upon notification of a deceased Payee, PacTD expects heirs, successor trustees, or personal representatives to follow the standard procedure for Payee's assignments.

Upon receipt of written notice of the death of a Payee, PacTD is authorized to hold all funds received for the account of the deceased Payee until PacTD receives written instructions for the disposition of such funds from a surviving joint Payee, from the deceased Payee's successor in interest, or from the legal representative of the deceased Payee's estate or trust as shown by satisfactory documentation, which shall evidence, to the satisfaction of PacTD, the person or entity legally entitled to the disbursement owed to the deceased Payee.

Until such satisfactory documentation and instructions are provided to PacTD, all funds shall be held and will be subject to PacTD's current fee schedule, including monthly holding fee.

For initial assignment of appointment of personal representative or successor trustee, PacTD will charge \$50.00. When a full assignment is required, PacTD will charge \$100.00 for assignment when final distribution is completed.

C. Change of Monthly Disbursement Fees Upon Assignment

Upon completion of the assumption/assignment process by either Obligor/Buyer or Payee/Seller through a death, or any other transfer, if there is a change in the number of disbursements an additional monthly fee will be assessed for such additional disbursements.

Even if Obligor/Buyer is responsible for an original fee under escrow instructions, Payee/Seller will be assessed any additional fees for additional monthly disbursements beyond the fee agreed-upon in escrow instructions – Payee/Seller will bear all additional monthly service fees incurred by adding additional disbursements.

PacTD will charge a minimum of \$1.00 per month for each Payee/Seller provided a 1099 even if they only request one monthly disbursement.

Document Policy

A. Destruction of Records

PacTD destroys all checks, ledgers, daily work, check stubs, and deposit slips that are more than six (6) years old.

Any file that has been paid in full, withdrawn, cancelled or terminated may be destroyed after six years from above date of being removed from active system.

B. Requests for Production of Documents

PacTD will charge \$50.00 per account for reproduction of documents on files that have been paid off after six months.

PacTD will charge \$10.00 per account for reproduction of 1099's or 1098's within the same calendar year.

PacTD will charge \$25.00 per account for reproduction of 1099's or 1098's that are more than one year old.

These fees must be paid in advance, before documents are retrieved.

General Operating Policies

A. Adding Out-of-Pocket Expenses Paid by Payee/Seller

If out-of-pocket expenses are advanced by the Payee/Seller including, but not limited to:

- (1) Real or personal property taxes,
- (2) Real property insurance,
- (3) Attorney's fees,
- (4) Irrigation or other special district dues or assessments,
- (5) City or other governmental assessments,

These fees will be posted to the account at the time and when proof of payment is received by escrow agent. Notifications of advancements made by Payee/Seller must be in writing and accompanied by receipts or other proof of payment.

There will be a fee for posting each advancement in the amount of \$25.00 per transaction to be paid at time of posting.

B. Close-Out Fees Policy

PacTD's normal close-out fee allows for a combination of two (2) verifications of mortgage, or payoff requests and payoff updates per calendar year.

At PacTD's discretion, if there are more than two (2) payoff requests, verification of mortgages, or payoff updates throughout the term of the collection escrow, PacTD may charge \$15.00 per additional request.

Any Obligor/Buyer who refuses to pay the close-out fee at the time of payoff will be charged an additional \$40.00 when documents are requested.

PacTD will retain original recorded Deed of Reconveyances if PacTD is the Trustee. Any original reconveyances mailed by outside trustees to PacTD will also be retained. Originals will only be mailed to Payor/Borrower upon request.

If Payor and Payee have agreed to share monthly fees equally, then all fees including closeout and reconveyance fees will be split equally, unless otherwise directed by the parties in writing.

C. Form W-9 – IRS Reporting

Pacific Trust Deed Servicing Co., Inc. is required to report any interest paid or received in a given tax year to the IRS. All parties are responsible for providing accurate Taxpayer Identification Numbers (TINs) on a W-9 form at time accounts are established, assigned or assumed to be used for reporting purposes.

We realize errors may occur when originally submitting the above required information on said W-9 form.

If Pacific Trust Deed Servicing Co., Inc. receives letters from the IRS in regards to inaccurate or missing TINs submitted when filing information returns, we will send notice requesting clarification of such filings. If parties do not respond in a timely fashion, Pacific Trust Deed Servicing Co, Inc. reserves the right to assess party \$35.00 fee in addition to the penalties assessed by IRS for time consumed by Pacific Trust Deed Servicing Co., Inc. for soliciting the missing or incorrect information.

D. Interest Accrual

Pacific Trust Deed will not add back deferred interest to the principal balance of a debt.

Any deferred interest will be treated as accrued interest and retired as payments are received.

E. Original Signatures Required

PacTD requires original signatures for the following documents:

- A. Collection Escrow Instructions.*
- B. Note.
- C. Trust deed.
- D. Request for Reconveyance.
- E. Clearing documents for contracts of sale.

PacTD reserves the right to waive the requirement for original signatures on collection escrow instructions if there are no discrepancies between the Note and the payment information supplied on page 1 of the Collection Escrow Instructions.

F. Undelivered or Missing Documents

PacTD reserves the right to hold back monthly payments or payoff checks if original documents have not been delivered to the collection escrow account. PacTD will notify parties of additional clearing documents required before funds will be disbursed.

After second request, PacTD will withhold monthly checks and charge \$25.00 per month as a fee for holding funds until satisfactory documents are received. PacTD may charge a \$50.00 flat administrative fee, plus any attorney's fees incurred by PacTD reviewing and resolving any dispute as to entitlement of funds, any attorney fees incurred to interplead any funds into a court with appropriate jurisdiction.

When the obligations in the collection escrow account have been paid in full, PacTD will surrender all original documents held by PacTD to the Trustee on demand. Notwithstanding the foregoing, PacTD may withhold funds until all necessary clearing documents, including but not limited to Request for Reconveyance, are provided.