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## **Introduction**

This Policy has been established to communicate the Repurchase Post Closing procedure, responsibilities and standards to be observed by Company Name employees who deal with the process of a mortgage loan.

## **Repurchase Request Procedures**

Throughout this process as information is obtained, the responsible party shall add or update the Repurchase Request Database. Secondary will send weekly reports to each Manager regarding loans that may affect the branch P&L. Accounting provides a copy of the weekly report.

Generally, it is the policy of Company Name to delay the processes as long as possible provided that there is no risk of foreclosure on the part of the investor currently holding the loan or any other loan with a superior lien position. The objective of Company Name to delay the repurchase process is threefold:

- to allow time for the repurchase request to resolve itself through the payoff of the existing loan either through refinance or the sale of the property;
- to allow the borrower an opportunity to bring the loan current, which in turn may allow the investor to agree to mitigate the repurchase or make the loan more salable;
- to allow additional time for the property to appreciate thereby making the loan more valuable in the event the loan is sold scratch & dent or to allow greater recovery in the event of foreclosure.

To the extent a loan may affect a branch P&L, the branch shall be consulted throughout the process. Additionally, the branch shall be responsible for costs associated with the corporate offices administering the repurchase and resolution of loans.

### **Steps on Repurchase Requests**

Upon receipt of a request for repurchase, secondary will notify, via email, the Asset Disposition Committee, Post Closing Manager, and Branch Manager and provide:

- Loan Number
- Originating Branch
- Originating Loan Officer
- Borrower name
- Property Address (City & State)
- Loan Amount
- Lien Position
- Date repurchase requested
- Investor requesting repurchase
- Investor contact information
- Reason for Repurchase Request

**Repurchase due to Early Payment Default**

If the repurchase request is due to an Early Payment Default:

- Secondary will obtain a payment history on the loan from the investor to determine whether it agrees with the investor's findings
- Secondary will obtain payment history from Accounting
- Secondary will compare the Company Name internal pay history to the investor pay history
- Secondary will determine whether the EPD is simply a servicing transfer issue
- If Secondary confirms EPD and the loan is now current, Secondary will request that the investor waive the repurchase in exchange for extending the EPD warranty
- If the investor refuses the extension, Secondary will request an indemnification in lieu of repurchase
- If the investor refuses the indemnification, Secondary will request a Down Bid
- If the investor declines to keep the loan, Secondary will request Post Closing to obtain an AVM