

**Attachment 1 to Appendix A**  
**(Applicable to Reports with E&O and Gap Coverage)**  
**Supplemental Terms Applicable to Home Equity Property Report Services**

The terms set forth in this Attachment 1 ("Home Equity Property Report Terms") will apply to Instant and Manual Property Report Services that may be provided to Customer under the Agreement. These Home Equity Property Report Terms are intended to supplement the Agreement and are subject to the terms and conditions set forth in the Agreement. Capitalized terms not defined herein have the meanings assigned to them in the Agreement.

**Section 1.0. PRODUCTS, SERVICES AND USAGE:**

**1.1. Home Equity Property Report:** A Home Equity Property Report ("report") is defined as a current owner real estate report generated using data compiled from public records, credit agencies, and third party data providers that includes the current owner vesting information, legal description of the property, tax information, and all open mortgages, judgments, liens and encumbrances, that is delivered by FirstClose to Customer, for a fee, and which is subject to the Home Equity Property Report Service Terms.

**1.2. Transfers of Loans or Servicing:** FirstClose's "obligation" and "liability" under the Home Equity Property Report Service Terms passes to the transferee with the loan if a transfer of the loan or its servicing occurs. Advance notice to FirstClose of such transfer is not required. Customer and transferee are referred to herein as Customer except that initial Customer refers only to Customer identified in item 1.1 above.

**1.3. Use of Home Equity Property Report (Eligible Mortgage Loans):** The "report" may be used only by the initial Customer to evaluate and underwrite loans that meet the following criteria; such loans are referred to herein as Eligible Mortgage Loans:

- A. Second mortgage and home equity mortgage loans; and
- B. Loans not to exceed \$500,000 in amount; and
- C. Credit report must be obtained on all borrowers and the minimum credit score is 520; and
- D. Loan-to-value and combined loan-to-value not to exceed 100%; and
- E. Loan must close within forty-five (45) calendar days of the date of the "report;" and
- F. Documents must be submitted for recordation within fifteen (15) calendar days of funding; and
- G. Residential properties only; and
- H. Property must be located in the United States of America.

**1.4. Ineligible Mortgage Loans:** The following loans are excluded from Eligible Mortgage Loans:

- A. Loans on Commercial properties
- B. Loans on Residential properties of five (5) units or more
- C. Loans on Properties located outside of the United States
- D. Purchase Money Loans

**Section 2.0. OBLIGATIONS AND LIABILITIES:**

**2.1. "Obligation":** FirstClose shall (1) provide a "report" to the initial Customer that is materially accurate based on the most current public data available and that discloses all open mortgages, judgments, liens and encumbrances on the property so that if the Customer's security interest in the property is correctly recorded, the security interest will be in the order of priority indicated by the "report"; and (2) if FirstClose assumes the "obligation" to record the security interest, it will do so correctly, consistent with the information contained in the "report."

**2.2. "Liability":** In the event FirstClose fails to meet the "obligation," FirstClose shall reimburse Customer for any direct financial loss ("loss") incurred by Customer as a result of such failure; however, (a) FirstClose's total "liability" shall be limited to the least of the Remedies set forth in Section 4.0 below; and (b) FirstClose shall not have any "liability" for "loss" actually or allegedly arising out of inaccurate information contained in the "report" if Customer was aware of the inaccuracy of the information based upon information independently developed by Customer through such means as a borrower credit report, loan application or other means.

**Section 3.0. CONDITIONS:**

In the event FirstClose fails to meet its "obligation" resulting in "loss" to Customer, Customer may seek Remedies under the Home Equity Property Report Terms if all of the following conditions are met:

**3.1.** Customer has a financial interest in the property pursuant to a loan agreement that is secured by a deed of trust or similar recorded security instrument;

**3.2.** Customer has documented that the loan is an Eligible Mortgage Loan;

**3.3.** Customer has timely paid all fees for the "report" to FirstClose;

**3.4.** Customer has:

- A. Foreclosed upon and sold the secured property to a disinterested third party; or
- B. Exhausted all efforts to collect any portion of the outstanding mortgage balance owed by the mortgagor on the secured property. Customer will have exhausted all efforts to collect any portion of the outstanding balance owed by a mortgagor when:
  - 1. The Eligible Mortgage Loan is in default; and
  - 2. Customer has made every reasonable attempt to collect, work out, or mitigate the deficiency in a manner consistent with their collection and loss mitigation practices and procedures; and
  - 3. Customer has presented to FirstClose a written determination, signed by an authorized representative of Customer, that the Eligible Mortgage Loan is commercially uneconomical to foreclose upon; and
  - 4. Customer has charged-off the Eligible Mortgage Loan.

**3.5.** Neither Customer nor any party submitting the claim for "loss" on behalf of Customer has committed fraud or misrepresentation with respect to any of the terms or conditions of the Home Equity Property Report Terms, otherwise, the Home Equity Property Report Terms are void with respect to the loan for which the claim for "loss" is submitted.

**Section 4.0. REMEDIES:**

In the event FirstClose has failed to meet its "obligation" under the Home Equity Property Report Terms, Customer has suffered a "loss," and Customer has satisfied the Conditions and complied with the Claim Process, FirstClose will reimburse Customer the least of:

- 4.1. The amount of the "loss" directly attributable to the specific item(s) of information inaccurately contained in or missing or omitted from the "report;" or
- 4.2. The original loan amount, or
- 4.3. Customer's "Actual Financial Loss," as determined by:
  - A. The sum of:
    1. The mortgagor's unpaid principal mortgage balance; and
    2. Accrued and unpaid interest pursuant to the loan up to one hundred eighty (180) calendar days; and
    3. Outstanding escrow advances, if any; and
    4. Reasonable attorney fees, not including fees or estimates of fees from Customer's staff counsel, and costs, not including Customer's overhead, incurred during foreclosure.

Less:

- B. The sum of:
  1. The amount collected as a result of the sale of the secured property to a disinterested third party; and
  2. Proceeds received by Customer from any source, to include but not limited to, credit life, accident and health, involuntary unemployment or hazard insurance serving to reduce the unpaid debt; and
  3. Non-applied escrowed balances; and
  4. Any other amounts collected or collectible and applied to, or that could be applied to, the repayment of the Eligible Mortgage Loan.

#### **Section 5.0. CLAIM PROCESS:**

In order to submit a claim for "loss" under the Home Equity Property Report Terms Customer or its duly authorized representative shall comply with all of the following procedures and conditions. The failure to strictly comply shall render the claim for "loss" void.

- 5.1. Submit a written claim for "loss" to FirstClose within sixty (60) calendar days of foreclosure sale, or within three hundred sixty-five (365) calendar days from the last loan payment if Customer has satisfied the conditions demonstrating the property is uneconomic to foreclose upon, or has determined that it would be at risk of liability on account of an error in or omission from the associated "report" if it foreclosed; and
- 5.2. Submit a signed proof of loss to FirstClose within ninety (90) calendar days of the claim for "loss"; and
- 5.3. Include all of the following documents and information in the proof of loss:
  - A. Documents and calculations evidencing the Customer's Actual Financial Loss; and
  - B. Copy of the original "report"; and
  - C. Copy of the borrower credit report(s), application, affidavit, and loan file documents used to underwrite the loan; and
  - D. Documents and evidence demonstrating that the "report" contains inaccurate information causing "loss"; and
  - E. The amount of the "loss"; and
- 5.4. Cooperate with FirstClose or its authorized representative in the investigation and settlement of the claim for "loss." Customer shall make every effort to mitigate its "loss" to the greatest extent possible including taking actions to enforce its lien and/or correct any inaccuracies in the information contained in the "report" or in the security instrument recorded by FirstClose.

#### **Section 6.0. SETTLEMENT AND PAYMENT:**

Payment due under the terms of the Home Equity Property Report Terms shall be made within thirty (30) calendar days after the Customer's claim for "loss" and amount payable under the Home Equity Property Report Terms has been validated by FirstClose, and Customer has executed release documents appropriate to concluding the claim.

#### **Section 7.0. TERMINATION:**

The Home Equity Property Report Terms may be terminated by either party for any reason upon sixty (60) calendar days advance written notice. In the event of a termination, any coverage already existing on a "report" prior to the effective date of termination shall remain in effect beyond the termination date until the termination of the loan.

**Attachment 2 to Appendix A**  
**(Applicable to Reports with E&O, but without Gap Coverage)**  
**Supplemental Terms Applicable to Title Report Services**

The terms set forth in this Attachment 2 ("Title Report Terms") will apply to Instant and Manual Property Report Services that may be provided to Customer under the Agreement. These Title Report Terms are intended to supplement the Agreement and are subject to the terms and conditions set forth in the Agreement. Capitalized terms not defined herein have the meanings assigned to them in the Agreement.

**Section 1.0. PRODUCTS, SERVICES AND USAGE:**

- 1.5. Title Property Report:** A Title Property Report ("report") is defined as a real estate report generated using data compiled from public records, credit agencies, and third party data providers that includes current owner vesting information, legal description of the property, tax information and all open mortgages, judgments, liens and encumbrances, and that is delivered by FirstClose to Customer, for a fee and which is subject to the Title Property Report Service Terms.
- 1.6. Transfers of Loans or Servicing:** FirstClose's "obligation" and "liability" under the Title Report Terms passes to the transferee with the loan if a transfer of the loan or its servicing occurs. Advance notice to FirstClose of such transfer is not required. Customer and transferee are referred to herein as the Customer except that initial Customer refers only to the Customer identified in item 1.1 above.
- 1.7. Use of Title Property Report (Eligible Mortgage Loans):** The "report" may be used only by Customer for mortgage loans that meet the following criteria. Such loans are referred to herein as Eligible Mortgage Loans.:
- A. Second mortgage and home equity mortgage loans; and
  - B. Loans not to exceed \$500,000 loan amount; and
  - C. Credit report must be obtained on all borrowers and the minimum credit score is 520; and
  - D. Loan-to-value and combined loan-to value not to exceed 100%; and
  - E. Residential properties only; and
  - F. Property must be located in the United States of America.
- 1.8. Ineligible Mortgage Loans:** The following loans are excluded from Eligible Mortgage Loans:
- A. Loans on Commercial properties
  - B. Loans on Residential properties of five (5) units or more
  - C. Loans on Properties located outside of the United States
  - D. Purchase Money Loans

**Section 2.0. OBLIGATIONS AND LIABILITIES:**

- 2.3. "Obligation":** FirstClose shall provide a "report" to Customer that is materially accurate based on the most current public data available and that discloses all tax information, open mortgages, judgments, liens and encumbrances on the property as of the effective date of the "report."
- 2.4. "Liability":** In the event FirstClose fails to meet the "obligation," FirstClose shall reimburse Customer for any direct financial loss ("loss") incurred by Customer as a result of such failure; however, (a) FirstClose's total "liability" shall be limited to the least of the Remedies set forth in Section 4.0 below.

**Section 3.0. CONDITIONS:**

In the event FirstClose fails to meet its "obligation" resulting in "loss" to Customer," Customer may seek Remedies under the Title Report Terms if all of the following conditions are met:

- 3.5.** Customer has a financial interest in the property pursuant to a loan agreement that is secured by a deed of trust or similar recorded security instrument; and
- 3.6.** Customer has documented that the loan is an Eligible Mortgage Loan; and

3.7. Customer has timely paid all fees for the "report" to FirstClose; and

3.8. Customer has:

- C. Foreclosed upon and sold the secured property to a disinterested third party; or
- D. Exhausted all efforts to collect any portion of the outstanding mortgage balance owed by the mortgagor on the secured property. Customer will have exhausted all efforts to collect any portion of the outstanding balance owed by a mortgagor when:
  - 1. The Eligible Mortgage Loan is in default; and
  - 2. Customer has made every reasonable attempt to collect, work out, or mitigate the deficiency in a manner consistent with their collection and loss mitigation practices and procedures; and
  - 3. Customer has presented to FirstClose a written determination, signed by an authorized representative of Customer that the Eligible Mortgage Loan is commercially uneconomical to foreclose upon; and
  - 4. Customer has charged-off the Eligible Mortgage Loan.

3.6. Neither Customer nor any party submitting the claim for "loss" on behalf of Customer has committed fraud or misrepresentation with respect to any of the terms or conditions of the Title Report Terms, otherwise, the Title Report Terms is void with respect to the loan for which the claim for Loss is submitted.

#### Section 4.0. REMEDIES:

In the event FirstClose has failed to meet its "obligation" under the Title Report Terms, Customer has suffered a "loss," and Customer has satisfied the Conditions and complied with the Claim Process, FirstClose will reimburse Customer the least of:

4.1. The amount of the "loss" directly attributable to the specific item(s) of information inaccurately contained in or missing or omitted from the "report;" or

4.2. The original loan amount, or

4.3. Customer's "Actual Financial Loss," as determined by:

- B. The sum of:
  - 1. The mortgagor's unpaid principal mortgage balance; and
  - 2. Accrued and unpaid interest pursuant to the loan up to one hundred eighty (180) calendar days; and
  - 3. Outstanding escrow advances, if any; and
  - 4. Reasonable attorney fees, not including fees or estimates of fees from Customer's staff counsel, and costs, not including Customer's overhead, incurred during foreclosure.

Less:

- C. The sum of:
  - 1. The amount collected as a result of the sale of the secured property to a disinterested third party; and
  - 2. Proceeds received by Customer from any source, to include but not limited to, credit life, accident and health, involuntary unemployment or hazard insurance serving to reduce the unpaid debt; and
  - 3. Non-applied escrowed balances; and
  - 4. Any other amounts collected or collectible and applied to, or that could be applied to, the repayment of the Eligible Mortgage Loan.

4.4. \$500,000

#### Section 5.0. CLAIM PROCESS:

In order to submit a claim for "loss" under the Title Report Terms Customer or its duly authorized representative shall comply with all of the following procedures and conditions. The failure to strictly comply shall render the claim for "loss" void.

5.1. Submit a written claim for "loss" to FirstClose within sixty (60) calendar days of foreclosure sale, or within three hundred sixty-five (365) calendar days from the last loan payment if Customer has satisfied the conditions demonstrating the property is uneconomic to foreclose upon, or has determined that it would be at risk of liability on account of an error in or omission from the associated "report" if it foreclosed; and

5.2. Submit a signed proof of loss to FirstClose within ninety (90) calendar days of the claim for "loss"; and

5.3. Include all of the following documents and information in the proof of loss:

- A. Documents and calculations evidencing the Customer's Actual Financial Loss; and
  - B. Copy of the original "report"; and
  - C. Copy of the borrower credit report(s), application, affidavit, and loan file documents used to underwrite the loan; and
  - D. Documents and evidence demonstrating that the "report" contains inaccurate information causing "loss;" and
  - E. The amount of the "loss"; and
- 5.4. Cooperate with FirstClose or its authorized representative in the investigation and settlement of the claim for "loss." Customer shall make every effort to mitigate its "loss" to the greatest extent possible including taking actions to enforce its lien and/or correct any inaccuracies in the information contained in the "report" or in the security instrument recorded by FirstClose.

**Section 6.0. SETTLEMENT AND PAYMENT:**

Payment due under the terms of the Title Report Terms shall be made within thirty (30) calendar days after the Customer's claim for "loss," and the amount payable under the Title Report Terms, has been validated by FirstClose and Customer has executed release documents appropriate to concluding the claim.

**Section 7.0. TERMINATION:**

The Title Report Terms may be terminated by either party for any reason upon sixty (60) calendar days advance written notice. In the event of a termination, any coverage already existing on a "report" prior to the effective date of termination shall remain in effect beyond the termination date until the termination of the loan.