
SECTION 300**POST-FUNDING AND SERVICING****301 MORTGAGE LOAN SERVICING**

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Section 301 MORTGAGE LOAN SERVICING

Once the Correspondent sells the SONYMA FHA Plus or Conventional Plus first mortgage loan, or DPAL second mortgage, to M&T, M&T then assumes the role of the Master Servicer.

General Servicing Policies

M&T Bank provides monthly statement for all first mortgages. M&T also offers auto-deduct loan payments; information regarding this option will be mailed to the Borrower after the servicing transfer.

Servicing Transfer Date

M&T will purchase loans at the current unpaid principal balance or a scheduled (amortized) balance, depending on the Purchase Date. The servicing transfer date will depend on the Purchase Date. Please note that transfer dates and balance calculations are based on the funding date (not the date you deliver the loan).

Whenever a loan is purchased at the original principal balance, the escrow balance will be calculated based on the exact figures from the HUD-1 Settlement Statement.

Whenever M&T purchases a loan at a scheduled purchase balance, the escrow balance will be calculated based on the formula in Section 205.

For loans purchased from the first through the fifteenth of the month, M&T will purchase the loan at current (original) or scheduled unpaid principal balance. The transfer date is the first day of the following month.

Example:

Loan Purchased Prior to First Payment:

First payment date:	February 1
Purchase date:	January 15
First payment due M&T:	February 1
Balance purchased:	Current balance

Loan Purchased after First Payment:

First payment date:	February 1
Purchase date:	February 15
First payment due M&T:	March 1
Balance purchased:	Original balance less February 1 payment of principal.

For loans purchased from the sixteenth through the end of the month, M&T will purchase the loan at a scheduled balance. The transfer date is the first day of the second month from purchase.

Examples:

Loan Purchased Prior to First Payment:

First payment date:	February 1
Purchase date:	January 16
First payment due M&T:	March 1
Balance purchased:	Original balance less February 1 payment of principal

Loan Purchased after First Payment:

First Payment date:	February 1
Purchase date:	February 16
First payment due M&T:	April 1
Balance purchased:	Original balance less February 1 and March 1 payments of principal

The Lender is responsible for providing interim servicing from the date of purchase until the transfer date, including compliance with all applicable federal laws and state laws, regulations and all IRS reporting for the period up to the transfer date. You may not apply principal reduction payments or any other unscheduled payments that you receive in the interim servicing period. All such payments must be forwarded to M&T Bank. (See "Curtailments and Misdirected Payments" in this section.)

Servicing Transfer Notices

RESPA requires that the Borrower receive a servicing transfer letter, also known as a goodbye letter, no later than fifteen days prior to the transfer date, or the date the first payment is due to the new servicer.

Each closed loan submitted for purchase should include a sample copy of the goodbye letter you will use, with the following (or substantially similar) verbiage:

"This is a sample goodbye letter. The actual letter will be sent to the Borrower(s) once the loan funds, but no later than 15 days prior to the first payment due to the new servicer." (Exhibit 02-456 in MEME)

The actual letter sent to the Borrower should be prepared and sent only after the Correspondent has received M&T Bank's purchase confirmation that will indicate the first payment due to M&T Bank.

Within five days of the Purchase Date, you must send to M&T Bank a copy of the actual goodbye letter sent to the customer, along with a copy of the loan payment history up to the transfer date. If M&T Bank does not receive confirmation that payments due the Lender were received promptly, the loan may be referred to our Quality Control department for early payment delinquency review.

Contents of the Goodbye Letter

A sample goodbye letter is referenced as Exhibit 02-456. You may use the exact language in this sample or your own goodbye letter, as long as it is substantially similar, meets all the requirements of RESPA, and includes the following required content:

- The name and address of all Borrowers.
- The M&T Bank loan number, with the instruction to write it on all correspondence.
- The effective date of the transfer, which is the date the first payment is due to M&T Bank.
- The date on which you will no longer accept payments.
- The payment address for the new Servicer (see the following section).
- Information relating to the continued availability of mortgage life, disability, or other optional insurance and whatever action, if any, the Borrower may take to maintain coverage.
- The name, address, and toll-free number of the new Servicer (see the following section).
- The statement that the transfer does not affect the terms or security instruments of the Mortgage Loan.

All goodbye letters should be prepared on the Correspondent's letterhead, and dated no later than the day the letter is given or mailed to the Borrower.

Payment & Correspondence Address

Checks must be made payable to "M&T Bank" and sent to one of the following addresses. All correspondence must include the M&T Bank loan number.

Payments -US Mail

M&T Bank
P.O. Box 62182
Baltimore, MD 21264

Payments -Overnight mail/courier

M&T Bank
6th Floor
1 Fountain Plaza
Buffalo, NY 14203

Correspondence and Customer Service Inquiries-U.S. Mail

M&T Bank
Customer Service
P.O. Box 1288
Buffalo, NY 14240-1288

Toll-free telephone number: 1-800-724-2224

Customer Service hours: Monday through Friday 8:30 a.m. to 5:00 p.m. ET.

Post-Funding Adjustments

Please be aware that M&T Bank can make adjustments to escrow balances after funding only until a loan pays in full or its servicing is subsequently sold by M&T Bank. All escrow adjustment requests should be made as soon as the problem is discovered.

M&T Bank can make adjustments for principal and interest payments only until the 30th day after the payment was due. Therefore you must notify us promptly if a pre-transfer payment that is due to your company has not been received. M&T Bank's practice is to post any payment received to the Borrower's account once the loan is boarded on M&T Bank's system; if the Borrower mistakenly sends a payment due you to M&T Bank, the payment will be processed and the account will show paid ahead to the first of the month after transfer date. M&T Bank will not reverse a payment and remit it to you without the consent of the Borrower. It remains your responsibility to ensure that Borrowers receive correct goodbye letters, and to commence collection efforts before the payment is more than 30 days delinquent.

Curtailments & Misdirected Payments

In the event you receive principal reduction payments in the interim servicing period, or payments that are due to M&T Bank, you must forward these payments directly to M&T Bank by overnight delivery or traceable mail.

Make sure that the M&T Bank loan number appears on the Borrowers' check and that it is stamped with the date you received it. Endorse the reverse of the check as follows:

Pay to the order of: M&T Bank
By: [Your company's name]
Name: [Authorized signature]
Title: [Title of authorized signatory]

A Payment Distribution Form appears as Exhibit 5003(located in MEME). Please indicate the appropriate distribution of the payment and enclose the form with the Borrowers' check.

Returned Checks

If you receive a check returned for insufficient funds after the transfer date, you will need to notify us in writing within 48 hours of your receipt of the insufficient funds notice. Include the original returned check and the loan payment history, so that M&T Bank can apply an accurate reversal and reimburse you where possible. All reimbursements will be made by wire transfer after validation. This usually takes five days from the day the request is received.

Monetary Adjustments

Requests for miscellaneous monetary adjustments must be sent to us in writing to the addresses that appear above with Payment and Correspondence.

All requests should include an explanation of the request, an up-to-date payment history, and a copy of the final, signed HUD-1. All adjustments will be credited to you via wire transfer.

Section 302 QUALITY CONTROL

M&T Bank shall reserve the right to conduct a post-closing and/or post-purchase quality control review of any Mortgage Loan. The review may include a verification of the accuracy of the credit and legal documents, compliance with M&T Bank policies, compliance with regulatory requirements and an evaluation of the underwriting decision (for credit, assets, income and collateral).

Loan Selection

A variety of methods may be used for loan selection, including but not limited to:

- Random selection.
- High risk characteristics, which may include one or a combination of the following factors:
 - o LTV
 - o Ratios
 - o Credit scores
 - o Loan purpose
 - o State
 - o Property type
- Any loan with a 30-day delinquency in the first 6 months or 60-day delinquency in the first 12 months, or any loan with foreclosure initiation in the first 24 months.
- Any loan with irregularities or “red flags” discovered during the course of a pre-purchase review or post-purchase audit.
- Any loan in which irregularities or questionable information is revealed throughout the life of the loan.

Documentation Request

M&T Bank must receive any requested documentation necessary to conduct a quality control review within 15 days of the date of the request.

Notification of Findings

You will receive notification of quality control review results only in the event of unfavorable findings.