AO 88(Rev 1/94) Subpoena in a Civil Case

FILE

Issued by the

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA, DC CIRCUIT

Taylor, Bean & Whitaker Mortgage Corporation, a Florida corporation,

Plaintiff,

v.

GMAC Mortgage LLC, a Delaware limited liability company,

Defendant.

SUBPOENA IN A CIVIL CASE

CASE NUMBER: 5:05-cv-00260-WTH-CGJ
In the United States District Court
Middle District of Florida, Ocala Division[1]

TO: Zach Oppenheimer
c/o [redacted], Associate Counsel
Fannie Mae Foundation
4000 Wisconsin Avenue, NW N. Tower Suite 1, Washington, DC 20016

☒ YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

PLACE OF TESTIMONY	COURTROOM
To be determined	
	DATE AND TIME August 8, 2007

☒ YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

PLACE OF DEPOSITION	DATE AND TIME
To be mutually agreed upon by the parties	To be mutually agreed upon by the parties

☐ YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects):

PLACE	DATE AND TIME
To be mutually agreed upon by the parties	To be mutually agreed upon by the parties

☐ YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

PREMISES	DATE AND TIME

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6)

ISSUING OFFICER SIGNATURE AND TITLE (INDICATE IF ATTORNEY FOR PLAINTIFF OR DEFENDANT)	DATE
[redacted] (b) (7)(C) GMAC	July 20, 2007

[1] If action is pending in district other than district of issuance, state district under case number

Oppenheimer
Exhibit No. 1
11.07.07 (b) (7)(C)

AO 88(Rev 1/94) Subpoena in a Civil Case

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER
(b) (7)(C) [redacted], Esq., Burr & Forman LLP, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203 (205) 251-3000

(See Rule 45, Federal Rules Civil Procedure, Parts C & D attached)

PROOF OF SERVICE

	DATE	PLACE
SERVED		
SERVED ON (PRINT NAME)		MANNER OF SERVICE
SERVED BY (PRINT NAME)		TITLE

Declaration of Server

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____ DATE _____ SIGNATURE OF SERVER

ADDRESS OF SERVER

Rule 45, Federal Rules of Civil Procedure, Parts C & D

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expenses resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

(i) fails to allow reasonable time for compliance;

(ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transactions business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or

(iv) subjects a person to undue burden. (B) If a subpoena

(B) If a subpoena

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) DUTIES IN RESPONDING TO SUBPOENA

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

Exhibit A

Definitions

1. The terms "you" or "your" shall refer to (b) (7)(C) and anyone acting at his request or on his behalf.

2. The term "FNMA" shall refer to Federal National Mortgage Association and anyone acting at its request or on its behalf.

3. The term "Defendant" or "GMACM" shall refer to GMACM Mortgage LLC and anyone acting at its request or on its behalf.

4. The term "TBW" shall refer to Taylor, Bean & Whitaker Mortgage Corporation and anyone acting at its request or on its behalf.

5. "Document(s)" is used in its broadest possible sense, and shall mean all writings of any kind, including the originals and all non-identical copies, whether different from the originals by reason of any notation made on such copies or otherwise, and whether printed, recorded, created or reproduced by any mechanical means or process, or written or produced by hand, including, but not limited to: agreements; contracts; drafts of agreements or contracts; written material referencing oral agreements or contracts; confirmatory memoranda; letters of intent; orders; purchase orders; communications; messages; correspondence; personal calendars (whether written, electronic, or computerized); letters; postcards; packages; telegrams; teletypes; telefax; mailgrams; tape recordings; memoranda; diaries (whether written, electronic, or computerized); summaries; notes or other recordings of telephone conversations, personal conversations, meetings, actions or statements; corporate charters, by-laws, minutes, amendments, proposals, directives, prospectuses, or documents of any description evidencing action taken by a corporate entity, business entity or association; deeds, leases, mortgages, security agreements; legal documents of any kind and description; agenda of meetings; notices;

records; files; intraoffice and interoffice memoranda and communications; personal memoranda; photographs; negatives; photographic slides; pictures; motion picture films; photographic film; microfilm; microfiche; newspapers; magazines; charts; graphs; diagrams; drawings; bookkeeping entries; account summaries or statements; financial statements; balance sheets; financial records; bills; invoices; orders; receipts; bank records of all types; returns; canceled checks; vouchers; ledger sheets; accounting information; computer print-outs; computer memories; word processing memories; software; reports; official papers; papers prepared in the ordinary course of business; instruments; chronicles; vouchers; diplomas; stationary; licenses; bills of exchange; bills of sale; logs; theses; circulars; publications; studies; notes of interviews; statements of witnesses; findings of investigations; audits; files; records of negotiation; reports of experts, whether to be called to trial or not; materials furnished to experts, whether to be called to trial or not; reports of consultants, whether to be called to trial or not; any record of any consultation with an expert or potential expert you have elected not to use; all materials furnished to, or notes of, conversations with any witness or person interviewed in connection with this case; personal notes; papers; books; notebooks; notecards, indices; physical objects; summaries; statistics; regression analysis; demographic analysis; market studies; stenographic materials; tapes; cassettes; phonographic records; microcassettes; discs; compact discs; digital audio tapes; digital optical recording; videotapes (VHS, Beta, or other); maps; posters; transparencies; pamphlets; bulletins; posters; fliers; plans; blueprints; drawings; sketches; printed matter; reports; and any and every other written, graphic, mechanical or tangible means by which human intelligence is in any way transmitted, reported, recorded or preserved, as well as worksheets, drafts, alterations, modifications, editing, changes, and amendments to any of the foregoing.

6. As used herein, the term "person" includes natural persons, corporations, partnerships, associations, ventures, and all other forms of organization or association.

7. As used herein, the term "date" shall mean the exact day, month, and year, if ascertainable, or if not, the best approximation thereof, including relationship to other events.

8. The term "possession" shall mean having or taking anything into control; something controlled or owned.

30(b)(6) Topics

1. All issues relating in any way to the problems that FNMA encountered in its relationship with TBW regarding TBW's Mortgage Selling and Servicing Contract with FNMA, including, but not limited to, the issues listed in the memorandums attached hereto as Exhibit 1.

2. All issues concerning TBW's servicing of mortgage loans for FNMA.

3. All issues concerning FNMA's dissatisfaction with TBW's performance regarding the servicing of the mortgage loans.

4. All issues concerning FNMA's termination of TBW's Mortgage Selling and Servicing Contract "for cause" on April 1, 2002.

5. All issues concerning GMACM's purchase the servicing rights to the TBW-originated loans.

6. All issues concerning requests from TBW to FNMA for reinstatement of the servicing rights to certain mortgage loans, including, but not limited to, the reasons for acceptance or denial of such requests.

7. All issues concerning TBW's request that it be contracted with FNMA as an approved servicer after May 2002, including all response to said requests.

8. All issues concerning FNMA's relationship with GMACM regarding the servicing of mortgage loans, both before and after FNMA's termination of TBW's Mortgage Selling and Servicing Contract.

9. All issues concerning FNMA's standard requirements, guidelines, procedures and practices regarding the repurchase of loans under the selling and servicing contracts with both TBW and GMACM.

10. All issues concerning the transfer of the selling and servicing rights of certain mortgage loans from TBW to GMACM.

11. All issues concerning the 2002 Purchase and Sale Agreement entered into between GMACM and TBW.

12. All issues concerning FNMA's rankings or comparisons of any kind related to servicers of its loans, specifically including FNMA's rankings or comparisons of GMACM's and TBW's performance compared to other sellers.

13. All issues concerning FNMA's request that GMACM review and/or filter TBW's requests for appeals before such appeals are sent to FNMA.

14. All issues concerning FNMA's requirement that GMACM advance it funds to repurchase loans even if TBW had not paid GMACM for said loans.

15. All issues concerning FNMA's ability to request the repurchase of a loan even if said loan had gone into default, foreclosure, or been sold at REO sale.

Subject: TBW Repurchases.xls
Date: Fri, 12 Apr 2002 11:56:39 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To:
CC: (b) (7)(C)

(b) (7)(C), attached is a list of loans that have been repurchased by Taylor Bean & Whitaker (from funds withheld on Wednesday, April 3, 2002.) Please return these notes to TBW as soon as possible. Thanks.
-(b) (7)(C)

TBW Repurchases.xls	**Name:** TBW Repurchases.xls **Type:** Excel File (application/msexcel) **Encoding:** base64

Manager
Fannie Mae
Underwriting Management

FNM-TBW
0014088

(b) (7)(C)
Exhibit No. 52
11.1.07 C. PERKS

TBW Repurchases

Fannie Mae Loan Number	Borrower	TBW Loan Number
(b) (7)(C)		86322
		135108
		307173397
		307219003
		307219720
		307219134
		171275
		172511
		84928
		141463
		177228
		158151
		55578
		118912
		145537
		143341
		143376
		146497
		162005
		167963
		167964
		167966
		167968
		167977
		167970
		167972

FannieMae

April 30, 2003

GMAC Mortgage
Attn: (b) (7)(C)

RE: Fannie Mae Loan # (b) (7)(C)
Servicer ID :307330039
Property Address (b) (7)(C) [redacted]
Atlanta, GA 30315

Subject: Make Whole (309)

Dear Servicer:

A recent review of the above referenced loan indicates that this loan is uninsured. We request your firm reimburse Fannie Mae **$84,176.15.**

The above amount was based on the following computation:

Unpaid Principal	$ 75,615.07
Interest (6-1-02 to 12-3-02@7.5%)	$ 8,561.08
Advance	$ .00
Less:	
Receipt	$ .00
TOTAL DUE	**$ 84,176.15**

Payment should be directed to : Fannie Mae – **NPDC**
P.O. Box 650043
Dallas, Texas 75625-0043
Attn: Angela Patton

Fannie Mae would like receipt of payment by 5-12-03. If you have any questions please feel free to contact me at (b) (7)(C) 1.

Sincerely,

(b) (7)(C)
Business Operations Representative

(b) (7)(C)
Exhibit No. 51
11.7.07 C. PERKS

GMAC Mortgage

October 25, 2003

Taylor Bean & Whitaker Mortgage Corporation
Attention: (b) (7)(C)
1416 N. Magnolia Ave.
Ocala, Fl. 34475

RE: Request for Repurchase
(b) (7)(C) Atlanta, Ga, 303150000
GMACM Loan Number (b) (7)(C)
Taylor Bean & Whitaker Mortgage Corporation Loan Number 0000069525

Notice is hereby given, pursuant to the Purchase and Sale Agreement of a potential repurchase. The specific details are outlined in the attached letter from Fannie Mae requesting repurchase.

At this time the account is due for the July 01, 2002 mortgage payment. The outstanding principal balance totals $51,553.67, and the note rate is 7.50%. Property was REO sold o[redacted]

Please review this issue and advise us of your findings no later than November 10, 2003.

If you require additional information, please contact me at (b) (7)(C).

Sincerely,

(b) (7)(C)

Sales and Acquisitions Department

Enclosures
By Express Mail

C: Lee Farkas/TBW - w/o attachments
Ray Bowman/TBW - w/o attachments

GMAC Mortgage Corporation
3451 Hammond Avenue
P.O. Box 780
Waterloo, IA 50702

Tel (319) 236-5400
Tel (800) 766-4622
www.gmacmortgage.com

FannieMae

Two Galleria Tower
13455 Noel Road
Suite 600
Dallas, TX 75240-5003
972 773 4663

February 4, 2003

Ms. Cathy William
Vice President
GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044

RE: Fannie Mae Loan No.: (b) (7)(C)
Lender ID No.: (b) (7)(C)
Lender Loan No
Mortgagor(s): (b) (7)(C)
Property Address: (b) (7)(C) Chicago, IL 60637

Dear Ms. William:

Fannie Mae acquired title to the subject property through foreclosure. Our records indicate that your firm is responsible for the selling warranties on this loan. In our initial review, we identified serious eligibility issues and/or underwriting deficiencies, which are detailed in an attachment to this letter. If you have additional information that would address these issues, forward it to us within the next 30 days.

If there is no additional information or documentation to address these issues, we must ask that your firm remove this property from our portfolio. We have attached a detailed statement that shows the amount required to complete this transaction. The funds should be remitted through MORNET using the instructions found in the Servicing Guide, Part IX, Chapter 2, Section 204. Use special remittance code 315 "Repurchase Proceeds."

If you should have any questions or need different remittance procedures, contact (b) (7)(C) .

Sincerely

(b) (7)(C)

(b) (7)(C)
National Underwriting Center

(b) (7)(C)

Attachment

(b) (7)(C)
Exhibit No. 50
11.7.07 C. PERKS

FNM-TBW
0026137

GMAC Mortgage Corporation
Fannie Mae Loan No. **1678321160**

Attachment A

Review Type:	PFR	**Loan Amount:**	$138,320
Loan Type:	30 YR FRM	**LTV:**	80%
Loan Purpose:	Purchase	**Credit Score(s):**	Unknown
Occupancy Type:	Owner	**Submitted Ratios:**	Unknown
Property Type:	Condo	**Revised Ratios:**	N/A
Property State:	IL	**Monthly P&I:**	$967
Contract Number:	A05983	**Verified Reserves:**	Unknown
		Closing Date/LPI:	Sep01/Dec01

Request for **repurchase** is based on the following significant findings:

Ineligible property: The 77-year-old subject property was one of six apartment units in a project that was purportedly in the process of being converted to condominium use. The origination appraisal, dated June 4, 2001, indicated the common areas had been completed and the homeowner's association was in the developer's control. The report also stated that the subject building was being "totally remodeled inside and out" and the subject's condition was "good." The appraised value was made subject to completion of the subject's remodeling.

Based on the information provided in the origination appraisal, the subject property was considered a "Type B" condominium. The subject project was shown to have three sold units and three units that were pending sale as of the date of the appraisal report. The guidelines for this type of project require 70 percent of the units in the project to have been conveyed or be under contract to owner-occupants and do not allow any single entity to own more than ten percent of the total number of the units. Based on the origination appraisal, neither of these conditions was met. In addition, our research of the subject property has found that the subject's remodeling was never completed. The project's ineligibility and the failure to complete the property in accordance with the origination appraisal rendered the subject loan ineligible for delivery to Fannie Mae.

The issues identified in this attachment were found as a result of a limited-scope review. If we fully review the loan file in the future and find additional issues, we will notify you accordingly at that time.

Please contact your QC representative with any questions regarding the above issues.

GMAC Mortgage

May 7, 2003

Rig file 5/7

Taylor Bean & Whitaker Mortgage Corporation
Attention: (b) (7)(C)
1416 N. Magnolia Ave.
Ocala, FL 34475

RE: Request for Repurchase
(b) (7)(C), Chicago, IL, 60637
GMACM Loan Number (b) (7)(C)
Taylor Bean & Whitaker Mortgage Corporation Loan Number 0000161603

Notice is hereby given, pursuant to the Purchase and Sale Agreement of a potential repurchase. The specific details are outlined in the information provided by Fannie Mae requesting repurchase.

At this time the account is due for the January 01, 2002 mortgage payment. The outstanding principal balance totals $137,805.98, and the note rate is 7.500%.

This property was foreclosed on 12/5/2002. Fannie Mae then proceeds with setting up the property to be marketed. An appraisal was completed 12/17/2002 which values the property at $28,000.00 as is. The property originally appraised at $176,000.00 on 6/4/2001. In addition to the drastic decline in value, the city of Chicago has issued a complaint. Attached you will find the two appraisals referenced above and a copy of the complaint. Fannie Mae is demanding the loan be repurchased based on the appraised value and the complaint filed by the city. Please provide a response by July 07, 2003.

We are in the process of obtaining the origination/servicing file. Once this has been obtained, a copy will be forwarded by overnight mail.

If you require additional information, please contact me at (b) (7)(C).

Sincerely,

(b) (7)(C)

Sales and Acquisitions Department

Enclosures
By Express Mail

C: Lee Farkas/TBW - w/o attachments
Ray Bowman/TBW - w/o attachments

GMAC Mortgage Corporation
3451 Hammond Avenue
P.O. Box 780
Waterloo, IA 50704-0780

Tel: (319) 236-5400
www.gmacmortgage.com

4-5-02

400 more ASAP files today - to Alliance -
not on original CSTD report.
Continue to monitor servicing activity on site - (b) (7)(C)
Monitor ASAP activity - (b) (7)(C)
(b) (7)(C) Fraud report on site next week

Alliance - portfolio value approx. $18.5M (4:1) indication - not bid
Technology - Private label web site (DEXMA): DU outstanding #
(b) (7)(C) - tell RFC about the situation - Per (b) (7)(C) - call tell to RFC
#1 - Control the cash
(b) (7)(C) 3-5 days per week - Can she control from off-site?
+ (b) (7)(C) to verify all servicing + time sheets of servicing personnel

DU - 2002 DU Approvals vs ASAP data -
Clayton Group - look at 4500 loans - look at last 60 days
closings + sample for credit + other data bases (title, fraud, etc) ARM,
$20,000 budget

(b) (7)(C)
Exhibit No. 49
11.7.07 C. PERKS

FNM-TBW
0020351

4/4 - Action Plan

On-Site supervision - Director, Servicing Consultant, ~~[illegible]~~ CAM - + Wachenhut

Removal of ASAP files - today - to Alliance - fireproof facility

Lee: x-211

Funding / ASAP payoff plans - link Knights group -

Loan repurchases to net from Funding - 20 loans $1.7M holdback

Execution of arbitrab. agreement - [redacted] (b) (7)(C)

Management of Servicing + Servicing Sale - 4/11 Bulk offering deadline + expected date for Principle deal to be executed.

Estimate of Net Servicing Sale - $35M RFC line against servicing
Colonial interest against servicing right

Security guards in Atlanta + Orlando - thru weekend.

$3.8M of >60 day ASAP loans - cash delivery today - 1 day funding -
Community Banks Online -

75=S

FNM-TBW
0020352

100 files - no exceptions

153,000 STP
231,000 other

Ankappler
14 850

Colonial needs loans numbers and amounts to secure financing.

FAX: Roy

Linda - Wire

22554,218.33

3,615,400
153,000
~~231,000~~
$3,999,400 -

Net Out

5PM -

(1.) Promise to sell $3M >60 days for cash - tomorrow
(2.) Fax trade confirm on $26.5M
(3) $26.5M @ MINUS $153 STP $ ~~[illegible]~~ $3.6M repo's.

FNM-TBW
0020354

4/3/02

(1) Cell Lee - arrived in Orlando

- our team is pulling files
- Wacken hut guards are on site
- Will line up Alliance + incur costs ($10K) -15K

Shuri + Rene arranging local Counsel

panel trucks boxes are ready

7 people FNMA

3 others ready

(b) (7)(C) [redacted]

(2) Q - Lee Farkas - Explanation of our actions

Allkl or FICS

- Details of pipeline; Composition

proof of sales to FRE/others

(b) (7)(C) [redacted] to market servicing

$19M bounced last night

Bank - data entry error

- Funding line details

Colonial - $310M

RFC - $35M

FRE - $150M delayed cert

Chase gestation line $200M

- Details of servicing sale to Principle

bulk - all NA + EA - 2 bids

Principle - Summary then April > needs 60 days

- (b) (7)(C) [redacted] details of a conceptual workout proposal

---

ANN - Funding - get comfort on the funding -

lose → lack of trust -

Warehouse bounced $13M last night

Lee: Needs $26.5M in funding plus $ M TODAY

Return Collateral

$3M > 60 days

All current deliveries to FRE.

$12M funded Repurchases from GMAC - Lee repurchased the loans + accidentally delivered the loans.

5:15PM - Wants to pair out of non-ASAP MBS trades on CSTD

Colonial 5M secured

Duplicate loans have been paid off.

$3.6M Repurchases

~~153K~~ STP

153,174

230,000 other repos

384,174

$5.4M - Monday

(1) Needs $26.5 and $21M or (return collateral)

(2.) Will work 'til midnight to pull 2000 loan files

(b) (7)(C) [redacted] to check addresses

Will pay off ASAP line by Friday

(3.) Can sell servicing within 60 days

Need to address DU usage under Country Banking web site

FNM-TBW
0020355

4/2 1PM [redacted] (b) (7)(C)

ASAP - 2 days $28M $19.5M = $47.5M
Colonial will bounce checks

☆ → [redacted] (b) (7)(C) wants an unwind plan

Farkas: other funding sources:

unwinding plan:

Servicing sale arranged w/ Principle - for Wednesday - Need to lift suspension

352
369
6200
+311

* Security Pacific Bozart - Gary owns

Lee - Won't need add'l ASAP after $47.5M delivered

267 -
252 -
2259

ASAP line will be pooled + traded by week's end

FRE has $76+M warehouse capacity

☆ ONLY FUND ASAP w/ Agreement execution ☆

[redacted] (b) (7)(C) - We need to fund EA loans

Net the repurchases from tomorrow's ASAP disbursements -

Talked to Lou - check addresses, names - make sure they are 1st. loans

ORLANDO PO
- Director - Sick
- Deputy - [redacted] (b) (7)(C)

[redacted] (b) (7)(C) 578

ASAP $ 2,500 loans

305 -

987 -

3129 legal - UNFUNDED

① they have the files - move them tonight

② where to send - the notes we have - that we have?

[redacted] (b) (7)(C)

FNM-TBW
0020358

Taylor Bean Whitaker 1417 N. MAGNOLIA DR. OCALA, FL 888-225-2164

(b) (7)(C) 352-369-6200 x311 (b) (7)(C) (1)

March 28th

3PM - (b) (7)(C)

EXPOSURE

$3M Sooner than proted ($153,000 outstanding)
$240M ASAP + line ($138M outstanding)
$191M CETD Trading line ($1M used to Taylor Bean if priced off today)
10 repurchase requests - performing - Priscilla -

CURRENT ACTIVITY

$1B purchased YTD (88% MBS)
$58M EAT/TPR
13.75 bp Gpce - all FRMs - April pricing is pending
$1.8B 14,000 loans servicing outstanding SRQ = 59bp - 80 loans

(b) (7)(C) We trust him -

OFFICERS

Lee Farkas - CEO - principle owner
(b) (7)(C) - COO
Kelly Bowman - VP Indy

HISTORY

Underwriting and eligibility deficiencies - Charges recommended and implementing process in place.
Recurring problems; rapid growth; weak controls + procedures

4/1 - (b) (7)(C) $32M funded late last week
$27M requested today (ASAP+) - 3PM - (4PM) x-6113

(b) (7)(C)

FNM-TBW
0020361

(2)

March 28
3pm

Taylor, Bean Whitaker

CONCERNS

8 loans - Lee Farkas - sold to FNM in November — 11/30 - $102,000 Notes signed to Lee Farkas

1 employee - (b) (7)(C)

1 loan - (b) (7)(C)

1 loan - (b) (7)(C) does he exist?

(b) (7)(C) - prev. Bank corp South - Alabama
cash flow problems
might not be around in 6 months
concerns over ASAP line loans
FRE - $50M unsecured line; notes due in 60 days
Lee loans - $6M
Attorney - (b) (7)(C)
Mgmt. staff to provide personal info - to finance REO. + repurchases

Document custody - 2 notes for the same loan - recurring problem
Lost Note affidavits
Financials - no change in status

NEXT STEPS

Funding lines - ~~[illegible]~~ hold STP at $153K + continue ASAP line
G. Fels - April - April - 15yr at 13.75bp, 30yr at 16bp 15bp
Research - title work, property inspections & Gloria's feedback by mid week -

(☆) Tuesday afternoon -

FNM-TBW
0020362

4/1 - (b) (7)(C) - delivering termination letter -
Colonial Bank to be sent a letter requesting transfer of Custodial accounts -

Monday Closing → STP → Tuesday We fund w/out NOTES

wire funds to warehouse (Colonial Bank)

(NOTES due within 5 days)

Loans Move to ASAP+ → ASAP → settlement

after notes are received

FNM-TBW
0020363

MEMORANDUM

FANNIE MAE
EASTERN BUSINESS CENTER

Date: May 22, 2002

To: (b) (7)(C), GMAC Mortgage Corporation

From: (b) (7)(C)

Subject: **Preliminary Comments to Purchase and Sale Agreement between Taylor, Bean & Whitaker Mortgage Corporation and GMAC Mortgage Corporation**

Thank you for forwarding the initial draft of the Purchase and Sale Agreement. I have reviewed the Agreement and want to identify certain issues, which we believe GMAC Mortgage Corporation is aware of, so that they can be discussed among the appropriate parties and clarified as necessary in the Agreement. Unless they are resolved prior to the Sale Date, there are approximately 25 repurchase/make whole requests outstanding from Seller. We have also identified issues relating to possible missing insurance coverage on approximately 208 FHA/VA/RHS loans that, unless corrected, could warrant repurchase requests being issued in the future for which GMAC Mortgage Corporation would be directly responsible to Fannie Mae.

Other issues that may need clarification are as follows (with reference to the Agreement section noted):

1) Section 2.1(a) – Fannie Mae currently holds the escrow deposits, although they are administered by TBW. Fannie Mae, upon closing, will wire the escrow funds to Purchaser, but any reconciliations will be need to be performed by the Seller.

2) Section 2.1(b) – Fannie Mae is requiring that Purchaser assumes all liabilities to it as the Investor with respect to the servicing rights (whether before or after the transfer date) as a condition to its consent to the transfer of such servicing rights to Purchaser.

3) Section 2.4(b) – All payments by Purchaser must be paid to the Investor. The Investor may agree to allow certain payments to the secured parties under the terms of an acknowledgment agreement between Fannie Mae, Seller, and secured parties, but no such agreement has been made as of this date.

4) Section 3.5(b) – Seller is not currently an approved Fannie Mae Seller/Servicer.

(b) (7)(C)
Exhibit No. 48
11.7.07 C. PERKS

5) Section 3.5(c) – I noted above the potential issues with a large number of FHA/VA/RHS loans. This issue and references to FHA and other insurance may need to be clarified in other sections of the Agreement as well.

6) Section 3.6 – Fannie Mae owns the servicing and is joining in this Agreement with Seller to together provide Purchaser with the typical rights to the servicing on behalf of the Investor, but reps and warranties, other than as to title, are being provided only by Seller. Also, at present, there are pledges of security interests in the servicing by Seller to Colonial Bank and/or RFC. A release of those liens should be executed by those secured parties.

7) Section 3.15 – Seller is not currently an approved Fannie Mae Seller/Servicer.

8) Section 4.14 – As noted above, there are approximately 25 loans under open repurchase requests and there exists the potential repurchase requests with reference to the FHA/VA/RHS loans.

9) As a general note, execution of the standard Fannie Mae form 629 "Request for Approval of Servicing Transfer" is still required.

These matters are capable of being addressed sufficiently in the Agreement, but some discussion and clarification as to how they will be addressed is warranted. Please feel free to contact myself and/or Sam Smith at Fannie Mae to discuss this further.

cc: (b) (7)(C) nnie Mae
, Fannie Mae
MAC Mortgage Corporation
GMAC Mortgage Corporation

[s:\legal\tbw-gmac-wes howland memo.doc]

UPDATE ON CLAYTON GROUP DUE DILIGENCE FOR TAYLOR, BEAN AND WHITAKER DELIVERIES
UPDATE AS OF April 26, 2002

TITLE ISSUES—12 LOANS

The Clayton Group research identified 12 loans for which they could not match our borrower's name with the titled owner of the real estate, indicating a potential title problem. Fannie Mae counsel, working in cooperation with outside law firms, produced current owner information more up to date than the on line records used by The Clayton Group. We were able to obtain evidence of Warranty Deeds showing the borrowers on 11 of the loans vested in title. We documented title on the 12th loan with a copy of the final Title Insurance Policy issued after closing. This last property is located in a small rural community with no on line records access. This issue is resolved with no further research needed.

PROPERTY VALUE ISSUES—47 LOANS

The Clayton Group research identified 47 properties with potential valuation variances exceeding 15 percent (meaning their value was more than 15 percent lower than the apprised value we provided them on the tape of DU loan data). The Clayton Group uses this 15 percent "cushion" to account for the relative inaccuracy of Automated Valuation Models (AVMs). Per (b) (7)(C) t from The Clayton Group, the typical portfolio they review will have anywhere from 10 to 20 percent of the properties showing value variances greater than 15 percent (compared to 9.5 percent for the TBW loans).

(b) (7)(C) from our property valuation group, ran the 47 property addresses against the Fannie Mae property valuation database. Our internal system supported the appraised value on 20 of the 47 properties. Our database tends to be more robust than competing systems and (b) (7)(C) considers our product to be more reliable than Solimar and LSI, the two AVMs used by The Clayton Group.

Six of the AVMs provided by The Clayton Group had very low confidence levels, indicating the likelihood of low reliability and accuracy in the related value decisions. Steve Herbert confirmed that the report included all values returned by their vendors, regardless of the confidence level. Given the very low reliability of the AVMs on these cases, they were dropped from further review.

On the remaining 21 cases, we moved to the next level of review to validate value, ordering Broker Price Opinions (BPOs) through the National Property Disposition group in the Dallas office. Those reviews should be in hand by early next week.

Of the total 47 cases originally identified, 21 remain unresolved pending the receipt of the BPOs.

(b) (7)(C)
Exhibit No. 47
11.7.07 C. PERKS

LOANS WITH NO CREDIT FILE OBTAINED—30 LOANS

The Clayton Group was unable to locate any credit information on 30 loans in their overall sample. They relied on a single in-file report from Equifax in order to make this determination. We pulled DeskTop Underwriter (DU) records on all 30 loans and confirmed that we obtained credit information on each of the loans sufficient to generate a valid DU decision. This issue was resolved with no further research required.

LOANS WITH SAFESCAN ALERTS—18 LOANS

The Clayton Group research identified 8 loans with SafeScan Alerts from the Equifax credit reports they pulled. The messaging related to these findings is not specific to the nature of the problem identified by the computer. We are awaiting clarification from the Clayton Group before we can proceed with further research on these cases. In the interim, we are pulling the full DU Findings Reports and Credit Reports on these loans as backup information.

The Clayton Group research identified 4 borrowers with Social Security Numbers issued within the last 5 years. This could easily be explained by the fact that the borrowers are recent immigrants to the United States. As a precaution, The Clayton Group is conducting additional research with Equifax to determine the validity of the 4 Social Security Numbers. They will update us today with a resolution or identify the 4 loans for us so we can conduct additional research on our own.

The Clayton Group research identified 6 borrowers with "locked" credit files. (b) (7)(C) explained that this simply means the credit files were too large to be dumped into the streamlined data format used by The Clayton Group. Due to the nature of this as a "technology" problem rather than an indication of any concerns with the loans, we agreed that no further research was needed on these cases.

We are presently awaiting further information from The Clayton Group in order to resolve the 12 open issues in this category.

SUMMARY

Our research on potential loan level problems identified by The Clayton Group has yielded the following results:

Title Issues-12 loans reviewed with all 12 cleared,

Property Value Issues-47 loans reviewed, with 26 cleared to date and 21 loans awaiting the results of BPOs,

Loans with no credit file-30 loans reviewed with all 30 cleared,

Loans with SafeScan Alerts-18 loans identified with 6 loans cleared and 12 loans being researched by The Clayton Group.

CONCLUSION

In conclusion, The Clayton Group completed a thorough due diligence review of a statistically valid loan sample of current production from Taylor, Bean and Whitaker. The overall result, based on our ability to resolve potential issues identified in the report, indicates that the due diligence results for TBW are typical of a typical portfolio we might buy. This conclusion is shared with (b) (7)(C) t, from the Clayton Group, who stated the results were in line with what he would expect to see when evaluating business from other Fannie Mae customers. While we will continue to follow up on the anomalies we identified, we can safely say that the due diligence effort did not uncover any major problems that should cause us concern. The fact that all of the loans were underwritten by DU adds an additional layer of security as well.

Preliminary Draft

Taylor Bean & Whitaker

For

Fannie Mae

By

(b) (7)(C)

April 12, 2002

This report summarizes the process and findings of a loan data review performed at the offices of the Clayton Group on behalf of Fannie Mae. The project was conducted April 10-12, 2002.

Project Scope and Selection Procedures

The objective of the review was to determine the accuracy and reliability of loan information contained in Fannie Mae's systems through a comparison with information obtained from third party sources. Fannie Mae supplied Clayton with loan data on several spreadsheet worksheets. Under the direction of Fannie Mae, Clayton then selected a review sample of 500 loans. The selection criteria was both random and adverse, and included those identified by Fannie Mae – duplicate loan deliveries and multiple loans to one borrower – as well as Clayton-identified adverse criteria – discrepancy in address between desktop underwriter and delivery schedule. After deleting six duplicate records, Clayton ordered third party reports, including credit reports, automated valuation model reports and borrower title vesting reports for the remaining 494 loans in the sample.

Clayton then reviewed third-party information with the Fannie Mae system data to determine if there were any inconsistencies in borrower name, borrower social security number, property collateral address and property title vesting. Clayton classified each data comparison with a review grade as follows:

1. Data match, no discrepancy.

2. Data mismatch, but discrepancy is not material.

3. Data mismatch and material discrepancy. Closer investor review is recommended.

Clayton recorded the results of the review on an EXCEL spreadsheet. This record detail can be found attached to this report.

Key Review Findings

(b) (7)(C)
Exhibit No. 46
(b) (7)(C)

Of the 494 loans for which third party data was ordered, Clayton received some return on 436 orders. The status of these returns were as follows:

436 -- Credit Reports Received

293 -- Property Vesting Reports Received

180 -- Property Characteristic AVM Reports Received

Of the 436 orders for which information was received, Clayton's review recorded the following results:

Data Point	Review Grade "1"	Review Grade "2"	Review Grade "3"
Social Security Number	436	0	0
Borrower Name	428	8	0
Property Address	271	13	0
Title Vesting	228	5	60

Property Ownership Discrepancies

Although a total of 60 records were found to contain material discrepancies in property owner vesting information, Clayton further sub-classified each record to most accurately identify according to perceived risk of discrepancy. The 60 breakdown as follows:

36 -- The transaction type on the subject loan was a home purchase. Assuming that the title to the property had conveyed recently, there may be a lag time in the information being posted to public records.

12 -- Although there was a discrepancy in the owner information, the difference appeared to be possibly attributed to a name change or family conveyance. These discrepancies were characterized by matching last names, or matching first names and middle initials.

12 -- There was a major and unexplainable difference observed between the lender loan information and title vesting report. Further investigation is warranted.

Property Value Variances

Of the 180 Automated Valuation Model Reports obtained, Clayton found the following range of variances:

Variance Range	<= -15%	-15%<>15%	>=15%
Number of Properties	47	107	26

Although not specifically required within the scope of this project, Clayton obtained the Automated Valuation Model Reports ("AVM") as part of a package of property identification reports. Although limited in use as a stand-alone property valuation, the AVM may be useful in helping to identify loans in which there may be a high valuation variance. The 47 loans indicating a possible variance of negative 15 percent or more would represent the high risk conclusion in the assessment and may be subject to a follow up valuation of increased scope.

Review Summary

Overall, the findings of the review confirmed the data integrity of most loans in the sample. Findings of discrepancy are considered to be preliminary and subject to further investigation.

Additional questions concerning the project or this report should be forwarded to the offices of The Clayton Group, Inc.

Subject: Re: [Fwd: Taylor, B[redacted]n & Whitaker]
Date: Tue, 26 Sep 2000 09:05:56 -0400
From: [redacted] (b) (7)(C)
Organization: Fannie Mae
To:
CC: [redacted] (b) (7)(C)

I think it is too flowery and much too glowing.

Would prefer something more subdued and less specific (the Fannie Mae way) which would not be too persuasive with other investors/regulators and which Lee could not use later to come back at us if new problems are discovered.
I'm thinking something more along the lines of (this is rough, needs to be cleaned up): "I am providing this letter at your request..... You asked about the progress that has been made in servicing loans from Fannie Mae..... At the time that I began working with your staff, there were problems/issues in the areas of collections, payment processing, investor accounting, (what else?).... I am pleased to report that your staff has worked hard to improve performance in these areas and that in my estimation TBW is presently doing a good job in servicing loans for Fannie Mae.... I look forward to continuing to work with your staff as they continue to make improvements.

[redacted] (b) (7)(C) wrote:

> Shall I try this again - with the attachment!!!? Thanks
>
> -------- Original Message --------
> **Subject:** Taylor, Bean & Whitaker
> **Date:** Mon, 25 Sep 2000 09:11:40 -0400
> **From:** [redacted] (b) (7)(C)
> **Organization:** Fannie Mae
> **To:**
> **CC:** [redacted] (b) (7)(C)
>
> Good Morning [redacted] (b) (7)(C) -
>
> Lee Farkas asked that I send him something in writing that he can present to his warehouse bank or correspondents regarding their progress in the servicing division. I remembered [redacted] (b) (7)(C)'s response to a somewhat similar request from Peninsula, and asked Lee to draft something for my review. Here it is. It's a tad flowery, but truthful. How do you feel about my signing off on it? [redacted] (b) (7)(C)

(b) (7)(C) [redacted]
Exhibit No. 45
11.7.07 (b) (7)(C)

FNM-TBW
0051714

Subject: RE: [Fwd: a favor?]
Date: Mon, 25 Sep 2000 08:54:50 -0400
From: "Farkas, Lee" <LFarkas@taylorbean.com>
To: (b) (7)(C)

I hate to toot our own horn, but I love to hear others do it. I have attached a sample. If it is something you could do, I will appreciate it much. If not, I completely understand. I hope I didn't make it too flowery: (b) (7)(C) letter.doc>>

Lee B. Farkas
CEO
Taylor, Bean & Whitaker Mortgage Corp.

-----Original Message-----
From: (b) (7)(C)
Sent: Saturday, September 23, 2000 9:59 AM
To: lfarkas@taylorbean.com
Cc: (b) (7)(C)@taylorbean.com
Subject: [Fwd: a favor?]

Hello My Friend -
I'm sorry I haven't had the chance to repond to this yet - it's been a little crazy for the past couple of weeks. Anyway, I did talk to (b) (7)(C) a little bit on this and if you are going to use this letter for what it basically sounds like, a reference -- how about if you draft the letter for me and I'll see what I can do? Sound fair? Look forward to hearing from you. (b) (7)(C)
-------- Original Message --------
Subject: a favor?
Date: Wed, 20 Sep 2000 13:07:03 -0400
From: (b) (7)(C) @taylorbean.com>
To: (b) (7)(C)

(b) (7)(C)

Lee wanted to know if you would consider writing us a note about how well we
are doing, our improvement, something nice. He would like to have something
he can give an interested party such as the warehouse or a correspondent.

Thanks!

(b) (7)(C)
VP/Loan Administration
Taylor, Bean & Whitaker Mortgage Corp.
352-369-6200 X313
352-840-9525 fax
(b) (7)(C)e@taylorbean.com

(b) (7)(C) letter.doc	**Name:** (b) (7)(C) letter.doc **Type:** Microsoft Word Document (application/msword) **Encoding:** base64 **Download Status:** Not downloaded with message

September 25, 2000

Lee B. Farkas
Taylor, Bean & Whitaker
101 N.E. 2nd Street
Ocala, FL 34470

Dear Lee,

This letter confirms our conversations over the last few months regarding the progress of your loan servicing department. The progress has been excellent. You have dedicated the personnel and other resources necessary to build a first class servicing business. Each function has improved dramatically. Payment processing, investor accounting, cash management and collections have all shown major progress towards our goals.

It is gratifying to me to see a client able to accelerate its rate of improvement in the manner you have. I look forward to your continued improvement.

Yours truly,

(b) (7)(C)

Subject: Re: [Fwd: Draft Report - Taylor, Bean & Whitaker]
Date: Wed, 21 Feb 2001 21:19:53 -0500
From: (b) (7)(C)
Organization: Fannie Mae
To:
CC: (b) (7)(C)

(b) (7)(C) - Please go ahead and release the report. Thanks!!
(b) (7)(C)

(b) (7)(C) wrote:

(b) (7)(C): Once again....GREAT WORK! Thanks for such a great performance. Since I will be out the rest of the week, go ahead and review the draft and unless you see any significant changes tell (b) (7)(C) that she can release the report.

(b) (7)(C)

------- Original Message -------
Subject: Draft Report - Taylor, Bean & Whitaker
Date: Tue, 20 Feb 2001 13:14:37 -0500
From: (b) (7)(C)
Organization: Fannie Mae
To:
CC: (b) (7)(C)

(b) (7)(C),

Attached for your review is our report draft for the Taylor, Bean & Whitaker Mortgage Corporation audit. (Sorry for the delay, last week was a bear for everyone involved.) As you can see, we found no reportable deficiencies. Taylor Bean has done an excellent job of addressing the prior audit findings.

Please send us any comments or questions you may have that might impact the final issuance of this report as soon as possible. We would like to issue our final report this week.

A big **thank you** to (b) (7)(C) for all their help before and during the audit! We really appreciate the assistance!

(b) (7)(C)

FNM-TBW
0051599

FannieMae

DRAFT

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation
Ocala, FL
Lender #23400-000-4

February xx, 2001

Addressee

[redacted] of Single Family Operations - SERO

[redacted]

Distribution

[redacted]

KPMG

Information contained in this report is confidential and is provided for internal use only by authorized Fannie Mae personnel.

FannieMae

DRAFT

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation

February xx, 2001

[redacted]

PURPOSE

We performed an audit of Taylor, Bean & Whitaker Mortgage Corporation (TBW) as a follow-up to our audit of October 1999. At that time, TBW had numerous deficiencies in its procedures and controls for the servicing of loans for Fannie Mae. We visited TBW along with representatives of the Southeastern Regional Office (SERO) to determine whether these deficiencies had been corrected.

CONCLUSION

TBW does not pose a significant risk to Fannie Mae due to the overall effectiveness of its management controls and its sound financial condition.

TBW meets Fannie Mae's financial eligibility requirements, is operationally capable to do business with Fannie Mae, and maintains adequate controls and procedures to effectively service Fannie Mae loans.

We found no reportable deficiencies and commend TBW for the corrective actions taken to resolve all previous audit issues as well as for the emphasis currently placed on maintaining a highly effective control environment.

EXIT CONFERENCE AND FOLLOW-UP

An exit conference was held February 7, 2001. We discussed the results of our audit with Lee Farkas, CEO, (b) (7)(C), COO, and (b) (7)(C), VP Loan Administration, along with (b) (7)(C) n of SERO. We appreciate the excellent cooperation given our auditors by the management and staff of TBW.

Please provide us with a copy of your letter to the lender transmitting the results of our audit. Information related to the lender's financial condition and operations and the purpose and scope of this audit is included in the attached Supplemental Information section. If you have any questions or require additional information, please contact (b) (7)(C)

FannieMae

DRAFT

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation

February xx, 2001

Supplemental Information

FINANCIAL CONDITION AND OPERATIONS

As of April 30, 2000, the audited consolidated financial statements of Taylor, Bean & Whitaker Mortgage Corporation (TBW) reported net worth, as adjusted for Fannie Mae requirement purposes, of $6,566,106 and net income of $1,745,215 for the year then ended. As of November 30, 2000, TBW's unaudited financial statements reported net worth of $8,456,693 and net income of $1,241,005 for the seven months then ended. As of November 30, 2000, Fannie Mae's minimum net worth requirement for TBW was $797,625.

As of December 31, 2000, TBW was servicing approximately $157.9 million for Fannie Mae and $528.7 million for itself and other investors. TBW's corporate offices are located in Ocala, Florida, where the lender performs its mortgage servicing functions. TBW also has six branch offices that perform loan origination functions located in Florida, Georgia, Illinois, and California. Properties securing the lender's Fannie Mae portfolio are located in twenty states. Mortgage accounting transactions are processed using FICS software.

PURPOSE AND SCOPE OF AUDIT

Our audit sought to determine whether TBW (lender number 23400) meets Fannie Mae's eligibility requirements, is operationally capable to do business with Fannie Mae, and maintains adequate procedures and controls to effectively service Fannie Mae loans. Our test month was October 2000 and we reviewed:

- information and reports available within Fannie Mae;
- reports, controls, and procedures in the lender's office;
- sufficient individual transactions to verify our understanding of the lender's servicing functions provided by our walkthrough of their operations, and to verify compliance with procedures and Fannie Mae requirements;
- audited and unaudited financial statements to assess overall financial condition and, more specifically, to determine whether the lender meets Fannie Mae's financial eligibility requirements;
- sufficiency of resources, such as personnel, systems, and facilities;
- accuracy and promptness of daily and monthly cash receipts processing and remittances sent to Fannie Mae and propriety of custodial accounting activities (including a detailed review of associated clearing and custodial account reconciliations);
- accuracy and timeliness of monthly investor accounting and reporting activities (including a detailed review of associated portfolio, shortage/surplus, and pool-to-security reconciliations);
- adequacy of default management for servicing delinquent loans and loans in bankruptcy or foreclosure;
- accuracy and promptness of escrow servicing functions including analyses and disbursements;
- adequacy of insurance coverage (hazard, flood, and mortgage) for individual loans and compliance with Fannie Mae requirements; and
- accuracy of information regarding mortgage insurance reported to Fannie Mae for a sample of 25 loans.

Procedures for the Fannie Mae Investor Accounting Personnel

Scheduled/Scheduled Remittance Type

The Scheduled/Scheduled remittance type requires that the payment scheduled for the month following the reporting month be passed through to Fannie Mae whether or not the mortgagor has made the payment. In the case where the mortgagor has not made the payment, the Servicer must advance funds in order to pass the funds through.

The loans in a Scheduled/Scheduled portfolio are "pooled" in order to meet commitments previously made with Fannie Mae. Each commitment is made for a particular dollar amount to which the mortgages must total and be for a particular range of interest rates which must fit criteria determined by Fannie Mae. Each of these commitments when met make up a "pool" of mortgages to which Fannie Mae assigns a Pool number. All the loans will be tied to that Pool number for the life of each loan unless an unusual circumstance caused the loan to have to be repurchased by the Servicer.

Form 2005 – Schedule of Mortgages

The loan information required by Fannie Mae is submitted to them and after their review, the Form 2005 is transmitted back to the Servicer via Mornet. A copy of this form is given to Investor Accounting so that they can transfer the loans from the corporate warehouse account into the Fannie Mae Investor number and group which must contain the Pool number assigned. Each pool has an issue date, which means that all the loans must have made the payment due for the Issue month to the corporate warehouse account before they can be transferred into the Fannie Mae Investor. For example, in a pool with a November 1999 issue date, the November payment on all the loans is due to the corporate warehouse account. The first payment due the pool and due to be passed through to Fannie Mae is the December payment

After Fannie Mae has approved the loans submitted for a pool, they will send via Mornet a list of the Fannie Mae loan numbers they have assigned to each loan. Print this list because entering the Fannie Mae loan number into the Servicing system is an essential part of the loan transfer process. Fannie Mae absolutely requires that this number be used in all reporting to them.

It is very important to be accurate when transferring the loans into the Fannie Mae Investor. As long as the pool contains fixed rate mortgages, if the information used in transferring the loan is accurate at the time of transfer it should remain so and the pool should calculate smoothly from then on. The unpaid principal balance should match that sold to Fannie Mae as listed on the 2005. The date of the first payment due the pool should always be one month greater that the issue date of the pool. The note rate and P & I constant should match that submitted on the Form 2005. The servicing fee rate should be set up as the difference between the note rate listed on the 2005 and the pass through rate of the pool which is listed at the top of the 2005. (The only exception to this rule is for an ARM pool. On an ARM pool, the fixed service fee rate listed at the top of the 2005 needs to be added to the guaranty fee rate. The sum of those two figures is to be set up as the service fee rate on each loan.) The guaranty fee rate should be set up as listed on the 2005.

Security Balance Reporting

No later than 5:00 PM on the second business day of each month, the new ending security balance and all unscheduled principal must be reported to Fannie Mae via Mornet. Prior to reporting these balances, you must check for pools which may be over or under collateralized. These amounts can be gotten from the Pool to Security Reconciliation report. A bracketed figure on these reports indicates an amount that needs to be passed through to Fannie Mae. A non-bracketed figure means that an excess amount has been passed through to Fannie Mae and must be deducted from the remittance to Fannie Mae. However, in order to deduct from a pool, there must be sufficient unscheduled principal to cover the amount of the deduction. No Servicer is allowed to pass through an amount that is less than the scheduled principal calculated for that pool.

Fannie Mae will compare the security balance information reported to the expected balances their system has previously projected, and will call on any pool that looks questionable. You must confirm to them that your information is correct or transmit any changes necessary to them by noon on the third business day. At this time, Fannie Mae will update their system and actually publish the balances so that securities can be sold or traded on these pools on the open market.

Loan Level Reporting

Fannie Mae requires that each Servicer report the status of each loan in their portfolio to them no later than the second business day of each month. On the Scheduled/Scheduled portfolio the information to report is the actual date of the last paid installment of each loan along with the actual unpaid principal balance. The principal and net interest to be reported to Fannie Mae must be the amounts scheduled for the month following the reporting month of the pool. For example, if the reporting month is October 1999, the principal and net interest to be reported at the loan level is the amount the mortgagor is scheduled to pay in the November 1999 payment. (Even though a loan may be prepaid or delinquent, the amount reported as principal and net interest must follow the criteria listed above.)

After Fannie Mae has completed their work on the call-in balances, they will begin looking at the loan level information reported to them on the Scheduled/Scheduled loans. Each Servicer will receive a call from the Business Analyst on any loan not reported to them or any loan whose information looks suspect to them. Any corrections must be reported on Mornet.

Express Pools Remittance

Currently all the pools being serviced by TBW are express pools. An express pool in one on which unscheduled principal collections are to be reported via MCRS on the third business day of each month. Fannie Mae will draft funds on the fourth business day. Fannie Mae will automatically draft the interest and scheduled principal due for the pools on the 18th or on the business day prior if that date falls on a weekend. If for some reason, Fannie Mae determines that the amount of Express funds the Servicer remitted on the 3rd was different from the amount they were expecting, they will adjust their 18th draft amount to compensate for the difference without any notice to the Servicer. Fannie Mae will have a P & I draft report available on Mornet around the 10th of each month so that each Servicer can compare the amounts being drafted to the amounts their system has calculated. Comparing these reports beforehand can prevent bank overdrafts.

Guaranty Fee Draft

Fannie Mae will draft for guaranty fees due them on the 7th calendar day each month. If the 7th falls on a weekend, they will draft on the business day prior. Funds for this draft must be deposited into the account in time for the draft to occur.

Schedule 1 – Reconciliation of Mortgage Portfolio

Fannie Mae requires that each Servicer prepare a Schedule 1 each month for the Scheduled/Scheduled portfolio. This schedule compares loan count, P & I constant and unpaid principal balance. Any differences in these areas between Fannie Mae's reports and the Servicer's must be researched and included on the reconciliation. Any correction required by the Servicer should be made immediately.

Custodial Account Reconciliation

The P & I custodial account must be done each month and in a timely manner. The amount of cashbook funds to which to balance this account is taken from the total page of the Test of Expected Principal and Interest report.

The T & I funds for the Scheduled/Scheduled portfolio are co-mingled with the funds for Actual/Actual account as allowed by Fannie Mae. I have included instructions for this reconciliation in the Actual/Actual procedures.

FannieMae

Routing Slip

TO:	LOCATION:
1. (b) (7)(C) [redacted]	Servicing Management (18)
2.	Customer Management (18)
3.	Servicing Management (18)
4.	Servicing Management (18)
5.	
6.	
7.	
8.	
9.	
10.	

Message:

Attached is your copy of TAYLOR, BEAN & WHITAKER LETTER RE: FANNIE MAE AUDIT RESULTS.

From: (b) (7)(C) [redacted]	Date: 03/13/01

FNM-TBW
0051592

FannieMae

[redacted]
Single-Family Operations
950 East Paces Ferry Road
Suite 1900
Atlanta, GA 30326
(b) (7)(C)
404 398 6275 (fax)

March 12, 2001

Mr. Lee Farkas
Chief Executive Officer
Taylor, Bean & Whitaker
101 NE 2nd Street
Ocala, FL 34470-6642

Subject: Fannie Mae Audit Results

Dear ~~Mr. Farkas~~ LEE:

Last month, our auditors performed a review of your loan servicing operation as a follow-up to our audit of October 1999.

We are most pleased to inform you that there were no reportable deficiencies found during the follow-up review. We commend Taylor, Bean & Whitaker (TBW) for taking corrective actions to resolve all previous audit issues and for the emphasis you place on maintaining a highly effective control environment.

Our servicing consultant, (b) (7)(C) will continue to work with you and your staff in our continuing effort to help you effectively manage Fannie Mae loans.

We would like to express special thanks to (b) (7)(C) and her team for the excellent cooperation given our auditors during their on-site visit. If you have any questions, please feel free to contact (b) (7)(C).

(b) (7)(C)
[redacted]
Single Family Business Operations

cc: (b) (7)(C) Taylor, Bean & Whitaker

FNM-TBW
0051593

Bcc: (b) (7)(C) of Servicing Management
(b) (7)(C) Customer Account Manager
Servicing Consultant
Servicing Specialist

March 5, 2001

Mr. Lee Farkas
Chief Executive Officer
101 NE 2nd Street
Ocala, FL 34470-6642

Subject: Fannie Mae Audit Results

Dear Mr. Farkas:

On February 5th through February 7th, 2001 our auditors performed a review of your loan servicing operation as a follow-up to our audit of October 1999. At that time, TBW had numerous deficiencies in its procedures and controls within the servicing operation.

We are most pleased to inform you that there were no reportable deficiencies found. We would like to take this opportunity to commend TBW for the corrective actions taken to resolve all previous audit issues as well as for the emphasis currently placed on maintaining a highly effective control environment.

Our servicing consultant, (b) (7)(C), will continue to work with you and your staff in our continued effort to provide servicing expertise assisting your servicing operation in effectively servicing Fannie Mae loans.

Special thanks to (b) (7)(C) and her team for the excellent cooperation given our auditors during their on-site visit. If you have any questions, please feel free to contact (b) (7)(C)

Sincerely,

(b) (7)(C)
Single Family Business Operations

Cc: (b) (7)(C) Taylor, Bean & Whitaker
ervicing Manager
stomer Account Manager
ervicing Consultant
ervicing Specialist

FNM-TBW
0051595

FannieMae

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation
Ocala, FL
Lender #23400-000-4

February 23, 2001

Addressee

[redacted] of Single Family Operations - SERO

[redacted]

Distribution

[redacted]

[redacted]
KPMG

Information contained in this report is confidential and is provided for internal use only by authorized Fannie Mae personnel.

FNM-TBW
0051596

FannieMae

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation

February 23, 2001

Risk: LOW

PURPOSE

We performed an audit of Taylor, Bean & Whitaker Mortgage Corporation (TBW) as a follow-up to our audit of October 1999. At that time, TBW had numerous deficiencies in its procedures and controls for the servicing of loans for Fannie Mae. We visited TBW along with representatives of the Southeastern Regional Office (SERO) to determine whether these deficiencies had been corrected.

CONCLUSION

TBW does not pose a significant risk to Fannie Mae due to the overall effectiveness of its management controls and its sound financial condition.

TBW meets Fannie Mae's financial eligibility requirements, is operationally capable to do business with Fannie Mae, and maintains adequate controls and procedures to effectively service Fannie Mae loans.

We found no reportable deficiencies and commend TBW for the corrective actions taken to resolve all previous audit issues as well as for the emphasis currently placed on maintaining a highly effective control environment.

EXIT CONFERENCE AND FOLLOW-UP

An exit conference was held February 7, 2001. We discussed the results of our audit with Lee Farkas, CEO, (b) (7)(C), COO, and (b) (7)(C), VP Loan Administration, along with (b) (7)(C) of SERO. We appreciate the excellent cooperation given our auditors by the management and staff of TBW.

Please provide us with a copy of your letter to the lender transmitting the results of our audit. Information related to the lender's financial condition and operations and the purpose and scope of this audit is included in the attached Supplemental Information section. If you have any questions or require additional information, please contac (b) (7)(C)

FNM-TBW
0051597

Lender Audit Report

Taylor, Bean & Whitaker Mortgage Corporation

February 23, 2001

FINANCIAL CONDITION AND OPERATIONS

As of April 30, 2000, the audited consolidated financial statements of Taylor, Bean & Whitaker Mortgage Corporation (TBW) reported net worth, as adjusted for Fannie Mae requirement purposes, of $6,566,106 and net income of $1,745,215 for the year then ended. As of November 30, 2000, TBW's unaudited financial statements reported net worth of $8,456,693 and net income of $1,241,005 for the seven months then ended. As of November 30, 2000, Fannie Mae's minimum net worth requirement for TBW was $797,625.

As of December 31, 2000, TBW was servicing approximately $157.9 million for Fannie Mae and $528.7 million for itself and other investors. TBW's corporate offices are located in Ocala, Florida, where the lender performs its mortgage servicing functions. TBW also has six branch offices that perform loan origination functions located in Florida, Georgia, Illinois, and California. Properties securing the lender's Fannie Mae portfolio are located in twenty states. Mortgage accounting transactions are processed using FICS software.

PURPOSE AND SCOPE OF AUDIT

Our audit sought to determine whether TBW (lender number 23400) meets Fannie Mae's eligibility requirements, is operationally capable to do business with Fannie Mae, and maintains adequate procedures and controls to effectively service Fannie Mae loans. Our test month was October 2000 and we reviewed:

- information and reports available within Fannie Mae;
- reports, controls, and procedures in the lender's office;
- sufficient individual transactions to verify our understanding of the lender's servicing functions provided by our walkthrough of their operations, and to verify compliance with procedures and Fannie Mae requirements;
- audited and unaudited financial statements to assess overall financial condition and, more specifically, to determine whether the lender meets Fannie Mae's financial eligibility requirements;
- sufficiency of resources, such as personnel, systems, and facilities;
- accuracy and promptness of daily and monthly cash receipts processing and remittances sent to Fannie Mae and propriety of custodial accounting activities (including a detailed review of associated clearing and custodial account reconciliations);
- accuracy and timeliness of monthly investor accounting and reporting activities (including a detailed review of associated portfolio, shortage/surplus, and pool-to-security reconciliations);
- adequacy of default management for servicing delinquent loans and loans in bankruptcy or foreclosure;
- accuracy and promptness of escrow servicing functions including analyses and disbursements;
- adequacy of insurance coverage (hazard, flood, and mortgage) for individual loans and compliance with Fannie Mae requirements; and
- accuracy of information regarding mortgage insurance reported to Fannie Mae for a sample of 25 loans.

FannieMae

MEMORANDUM

DATE : October 8, 2001

TO: : (b) (7)(C)

FROM : [redacted]

SUBJECT : Taylor, Bean & Whitaker Issues

As you may remember TBW had a follow up audit by the DC audit team in February. They corrected all the deficiencies from the previous October 1999 audit.

I visited TBW September 10th and 11th to review their portfolio and custodial account reconciliations and shortage/surplus. Their accounts were in excellent shape.

Currently TBW bundles loans and sells servicing quarterly to GMAC.

TBW's servicing operation has grown very quickly. In November 1999 their servicing division was comprised of 3 servicing staff and a Servicing Manager. Today there are 25 staff, a Servicing Director, a Servicing Manager and 4 team leaders. As of 8/31/01 they were servicing 6148 loans with a UPB of $698 million. (b) (7)(C) tells us that origination volume for September is approximately $700 million.

[redacted] (b) (7)(C) [redacted] will be at TBW the week of October 15th for a process mapping project. This will include three phases – post closing to loan set-up, loan set-up to default and default to REO.

Lastly their Business Analyst in the Asset Servicing Center [redacted] (b) (7)(C) [redacted]) on 8/17/01 requested that TBW repurchase two nonconforming loans [redacted] (b) (7)(C) [redacted]). Per (b) (7)(C) [redacted] (Asset Acquisitions & Custody) the loans are in a premium/discount contract and the net mortgage margin cannot be less than the required margin. I had sent a message to the TBW Servicing Manager, [redacted] (b) (7)(C) [redacted], concerning this repurchase. (b) (7)(C) had indicated she would follow up on this and also get Asset Acquisitions to send a repurchase letter. To my knowledge these have not been repurchased to date.

New Product Approvals

This year TBW was approved for selling/servicing the following products:

- Simultaneous Seconds (only) – 8/29/01
- Rehabs – 8/9/01
- Homestyle Community Mortgages – 8/9/01
- Homestyle Standard Mortgages – 8/9/01
- Community Homebuyer Program – 8/9/01
- Expanded Approval/Timely Payment Reward – 5/3/01

FannieMae

MEMORANDUM

DATE : November 10, 2003

TO: : Zach Oppenheimer

FROM : (b) (7)(C)

SUBJECT : Taylor, Bean & Whitaker Mortgage Corporation Approval

Zach, we received an application from Taylor, Bean & Whitaker (TBW) requesting that we re-approve them as a seller/servicer.

Listed below is a summary of the previous issues that we had with TBW:

- **Loans to senior officers in default:**
  There were a number of loans identified that were 120+ days delinquent that were in the name of senior officers of the company.
- **Questionable loans:**
  There were 8 loans identified that were in the CEO's name, and one in the name of a close associate of the CEO that were sold to Fannie Mae. After performing title searches, it was determined that the titles for the loans were in other individuals' names. All of these loans were delinquent or foreclosed FHA loans repurchased from other investors. There was also one loan in the name of Max Star where the existence of the individual could not be verified, and the property address and legal description did not exist.
- **Government loans with no FHA insurance:**
  There were approximately 200 loans identified (FHA, VA & Rural Housing) that were sold to Fannie Mae and did not have valid mortgage insurance.
- **Aged loans in ASAP line:**
  There were a number of loans that were in excess of 60 days that should have been removed from the ASAP line. This issue goes back at least to March 2000 so it appears to have been a chronic issue.
- **Duplicate loans sold to Fannie Mae:**
  There were 12 loans totaling over $1 million in UPB that were delivered in two different MBS pools in consecutive months. The lender immediately repurchased all loans delivered in the second pool.
- **Loans with inaccurate LPI dates:**
  Subsequent to the transfer of the servicing portfolio to GMAC, it was determined that 16 loans had discrepancies in the current LPI dates. Upon review, it was determined that the loans were being reported as current through Mornet when they were actually delinquent on the loan servicing system.
- **Old repurchases:**

Opp
Exhibit No. 44
(b) (7)(C)

At the time we terminated TBW, we had 20 outstanding repurchase requests unrelated to the events leading to termination. Eleven of the loans were aged over 6 months and 3 were outstanding over a year. TBW management had established a long-term pattern of being slow to resolve repurchase issues.

- **South Florida fraud loans**:
  Prior to our terminating TBW, they had informed us of potential fraud in loans underwritten by PMI contract underwriters in South Florida. It was very difficult to get any further details from them, though they kept promising to provide us a full accounting of the issues. Ultimately, we obtained loan numbers from the lender and conducted our own loan level investigation resulting in 18 additional repurchases.
- **Aged unpaid claims:**
  The lender had 9 loans sitting in an aged status with our Dallas accounting group. All were government loans well overdue for assignment to HUD or FmHA. The lender had been unresponsive to repeated requests for updates on the status of the loans.
- **Miscellaneous repurchases:**
  Loan reviews conducted after the termination date revealed an additional 10 loans that we required the lender to repurchase. Issues included misrepresentation, eligibility/underwriting issues and loans missing the required MI or FHA insurance.
- **GMAC exposure:**
  GMAC bought the TBW servicing with full reps and warranties. While our direct exposure to future losses, including the approximately 200 uninsured loans, is covered by GMAC, they will obviously attempt to recoup losses from TBW. This could affect the future stability of the company. At the time the servicing sale was arranged, TBW had to borrow $12.6 million from RFC to pay off accumulated outstanding repurchase requests to GMAC (mostly related to GNMA repurchases).
- **LP loans delivered to Fannie Mae:**
  The lender sold us 368 LP loans without having the contractual agreement to do so. We worked out the problem with them after the fact to avoid requiring immediate repurchase.
- **LLPA reconciliation:**
  We had to go back to the lender to collect $1,080,620 in LLPA (for the period January through April 2002) they failed to pay at delivery due to coding and delivery errors.

We have reviewed the current application and have the following observations:

- Financial Data:

	04/30/03 (000s)	04/30/02 (000s)
Assets	$480,929	$428,927
Liabilities	7,918	9,325
Fannie Mae Net Worth	468,820	415,440
Net Income	10,564	15,460

- New management team:
  The resumes submitted support significant mortgage banking background and experience. However, there were several resumes included that did not have an explanation of their connection to the TBW staff.
- Servicing:
  Servicing procedures were incomplete and several areas of servicing were missing. Fidelity bond insurance information was not submitted. The errors and omissions insurance did not have the appropriate Fannie Mae clauses.
- Underwriting:
  There was not adequate information on the day-to-day management of the department. It was not clear if there were any underwriters on the lenders' staff. A former Fannie Mae employee is listed as the Acting Chief Credit Officer with responsibility for the underwriting area; however, it was not clear if the position was permanent.

  An agreement with an underwriting contractor was included; however, they included unexecuted copies of subsequent amendments.

The following information in the application was missing and/or incomplete:

- Executed seller/servicer contracts
- Form 1001(Authorization for Verification of Credit & Business References)
- Detailed Servicing Procedures
- Detailed Quality Control Procedures
- Updated resumes with a clarification of current job responsibilities.
- Updated executed underwriting agreements including all amendments and exhibits with positive verification that the agreement is still valid.
- Appropriate Fidelity Bond and Errors & Omissions Insurance policies.

Subject: Re: Home America (partner of Taylor, Bean)
Date: Wed, 09 Oct 2002 13:05:10 -0400
From: (b) (7)(C) Internal
Organization: Fannie Mae
To:
CC: (b) (7)(C)

On Georgia Corporate Records, Lee Farcas is listed as the Secretary of Home America and (b) (7)(C) is CFO. A guy named (b) (7)(C) is CEO. The corporate address is 101 NE 2nd Street, Ocala, FL (that is TBW's corporate office). (b) (7)(C)

(b) (7)(C) wrote:

> (b) (7)(C) - what's the relationship between Home America and TBW? Does TBW (or Farkas, or Farkas's partners @ TBW) actually have an ownership interest in Home Ameica?
>
> (b) (7)(C) - how do you want to handle this?

(b) (7)(C) wrote:

> (b) (7)(C)
> Just received a call from (b) (7)(C) at Home America (Lawrenceville based- partner of Taylor, Bean). I worked with (b) (7)(C) at Traditional Mortgage.
>
> Anyway, (b) (7)(C) told me that Home America would like to become an approved Fannie Mae lender. I told her that I would get back to her with the contact name and phone number she should contact in order to apply for approval.
>
> Due to Home America's the relationship with Taylor, Bean, should I or someone from Atlanta contact Chicago to discuss the request? (b) (7)(C)

FNM-TBW
0005612

Opp
Exhibit No. 43
11.7.07 (b) (7)(C)

Subject: TBW
Date: Wed, 17 Apr 2002 18:20:55 -0400
From: (b) (7)(C) **Internal**
Organization: Fannie Mae
To: Zach Oppenheimer (b) (7)(C)

Update on 2 of your requests:

1. (b) (7)(C) has confirmed with (b) (7)(C) in Washington that 7 of the 8 Farkas loans were definitely parked in the ASAP + line before they were sold to us for cash. The eighth Farkas loan (the one that was paid off) may also have been in the ASAP + line, but additonal research will be needed to confirm this.
The 7 Farkas loans that were ASAP'ed are:
167963
167964
167966
167968
167970
167972
167977
Because of the very limited documentation that we require for ASAP +, for cash purchases, and for MBS issues, it is very easy for any Fannie-active lender to fabricate bogus loans and sell them to us under any of these programs.

2. (b) (7)(C) has put together a list of our folks who helped with the TBW problem. We've floated the list to several Directors to be sure we haven't forgotten anybody. The list should be ready for you tomorrow.

FNM-TBW
0020487

OPP
Exhibit No. 42
11-7-07 (b) (7)(C)

8 Lee
Forces
Loans

Opp
Exhibit No. 41
(b) (7)(C)

FNM-TBW
0011385

TBW

Borrower:	(b) (7)(C)
Property Address:	(b) (7)(C)
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	**$247,500**
Loan Closing Date:	**10/09/2001**
FPI	**12/1/2001**
Purchased:	**11/06/2001**

- **Loan purchase by Fannie Mae 11/06/2001**
- **There were no origination documents to support the default risk associated with this mortgage loan transaction.**
- **There was not appraisal to assess the adequacy of the collateral for the mortgage**

Data Source – DDF

Borrower:	(b) (7)(C)
Property Address:	(b) (7)(C) Surry, ME 04473
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Pool Number/Suffix	
Loan Amount:	$247,500
Loan Closing Date:	10/09/2001
FPI	12/1/2001
Mornet Received Date:	10/25/2001
Certified (M):	10/26/2001
Purchased:	11/06/2001
SMC:	25% MI
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	11/2001 as of 03/28/2002

Data Source – Title Search

08/18/1899 (b) (7)(C) granted to (b) (7)(C) by Warranty Deed recorded in book 339 on page 443.

09/20/1910 (b) (7)(C) granted to (b) (7)(C) by Easement recorded in book 471 on page 468.

09/14/1923 (b) (7)(C) granted to (b) (7)(C) by Deed recorded in book 579 on page 448.

08/31/1931 (b) (7)(C) granted to (b) (7)(C) by Last Will and Testament of (b) (7)(C) recorded in book 633 on page 569.

09/13/1946 (b) (7)(C) , Executrix under the Last Will and Testament of (b) (7)(C) grant to (b) (7)(C) by Quitclaim Deed recorded in book 708 on page 83.

06/22/1954 (b) (7)(C) grant to Bangor Hydro-Electric Company by Easement recorded in book 760 on page 367.

08/18/1954 (b) (7)(C) grant to (b) (7)(C) by Quitclaim Deed recorded in book 763 on page 599.

08/28/1963 (b) (7)(C) grant to (b) (7)(C) by Warranty Deed recorded in book 940 on page 383.

09/01/1964 (b) (7)(C) grant to (b) (7)(C) Jr. by Warranty Deed recorded in book 967 on page 98.

09/02/1964 (b) (7)(C) grant to (b) (7)(C) by Quitclaim Deed recorded in book 967 on page 165.

07/12/1965 (b) (7)(C) grant to (b) (7)(C) by Quitclaim Deed recorded in book 989 on page 48.

07/12/1965 (b) (7)(C) grant to (b) (7)(C) by Quitclaim Deed recorded in book 989 on page 50.

09/21/1966 (b) (7)(C) grant to (b) (7)(C) if living or (b) (7)(C)) by Will of (b) (7)(C) recorded in book 1021 page 137.

11/01/1993 (b) (7)(C) granted to (b) (7)(C) by Release Deed recorded in book 2174 on page 144.

11/01/1993 (b) (7)(C) grant to (b) (7)(C) by Easement recorded in book 2174 on page 145.

06/19/1995 [redacted] (b) (7)(C) [redacted] grant to Bangor Hydro-Electric Company by Easement recorded in book 2400 on page 262.

07/09/1998 (b) (7)(C) [redacted] grant to (b) (7)(C) by Power of Attorney recorded in book 2750 page 353.

10/10/2001 (b) (7)(C) acting as Power of Attorney for [redacted] (b) (7)(C) [redacted] grant to (b) (7)(C) [redacted] by Warranty Deed recorded in book 3167 on page 87.

10/10/2001 [redacted] (b) (7)(C) [redacted] granted to Taylor, Bean & Whitaker by Mortgage recorded in book 3167 on page 90.

Data Source –Selling Guide

The file did not contain any origination documents. According to the Selling Guide, a borrower's loan application must be documented on the *Uniform Residential Loan Application* (Form 1003 or Form 1003(S)) and, if applicable, a *Statement of Assets and Liabilities* (Form 1003A or 1003A(S)). The borrower's loan application must include sufficient information for an underwriter to reach an informed decision about whether to approve the mortgage loan. Sufficient information was not obtained that would allow an underwriter to measure the overall default risk of a mortgage application and determine whether or not the mortgage was eligible for delivery to Fannie Mae. An appraisal report was not provided. An assessment of adequacy of the collateral for the mortgage was not accomplished. Therefore, the acceptability of the mortgage loan could not have been accomplished.

Borrower:	(b) (7)(C)
Property Address:	(b) (7)(C), Ocala, FL 34471
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	**$200,000**
Loan Closing Date	**05/25/2001**
FPI	**07/01/2001**
Purchased:	**12/03/2001**

- **Other than the subject property, all of the properties owned by (b) (7)(C) were located either in Hawaii or Oregon.**
- **Conclusion - borrower on this loan did not exist**
- **Collateral did not exist in Marion Country Florida**

Data Source – DDF

Borrower:	(b) (7)(C)
Property Address:	(b) (7)(C) Ocala, FL 34471
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Pool Number/Suffix:	
Loan Amount:	$200,000
Loan Closing Date	05/25/2001
FPI	07/01/2001
Mornet Received Date:	11/19/2001
Certified (M):	11/20/2001
Purchased:	12/03/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	12/2001 as of 03/28/2002

Our research indicated that the only item of credit as of 3/25/2002 was the subject mortgage loan with Taylor Bean & Whitaker as lender. The credit report also showed the DLA as 07/2001. Our research further showed Max W Starr living in Honolulu, HI. The list of properties owned by Max Starr did not include the subject property. Additionally, we could not locate the subject property in Marion County Florida. Therefore, we concluded that the borrower for this loan did not exist and the property used for the collateral did not exist in Marion County Florida.

Borrower:	**Lee B. Farkas**
Property Address:	(b) (7)(C), **Sandersville, GA 31082**
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	**$105,288**
Loan Closing Date:	**09/24/2001**
FPI	**11/01/2001**
Purchased:	**11/29/2001**

- **This was a GMAC FHA foreclosure**
- **GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed recording date of 07/03/2001**
- **Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.**
- **Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/25/2001**
- **Taylor Bean & Whitaker (as seller) sold property for $85,000 on 01/11/2002 with net proceeds to seller of $77,842.41.**
- **At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.**
- **At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.**

Data source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C), Sandersville, GA 31082
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$105,288
Loan Closing Date:	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/25/2001
Certified (M):	10/26/2001
Purchased:	11/29/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
Laser LPI Date:	11/2001 as of 03/28/2002

Data Source – Title Search

01/14/2002 Taylor Bean & Whitaker granted to (b) (7)(C) by Special Warranty Deed recorded in book 12-O on page 728.

Data Source – Loan File

07/14/2000 Parrish Development assigned property to (b) (7)(C) by Quitclaim deed in Deed book 11Z on page 116

11/28/2000 (b) (7)(C) assigned property to (b) (7)(C) by Warranty Deed in Deed book 12-C on page 254

07/03/2001 Foreclosure date

07/03/2001 GMAC Mortgage Corporation granted to TAYLOR BEAN & WHITAKER MORTGAGE CORP. by Special Warranty Deed FHA case number 1019537997703

08/22/2001 Broker's Price Opinion for GMAC from Town & Country Real Estate & Investment Co with estimate value of Property $95,000 showing Janet Watts as former owner of 33 Edenwilde Drive, Sandersville, GA 31082

09/19/2001 Listing Agreement between GMAC and Town & Country Real Estate & Investment Co with listing price of $99,000

10/01/2001 Listing Termination Notification to Town & Country Real Estate informing agency that listing will remain with firm but contact will be with TAYLOR BEAN & WHITAKER MORTGAGE CORP.

11/27/2001 Purchase and Sale Agreement between TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller and (b) (7)(C) a purchaser with sales price of $85,000

01/11/2002 HUD-1 Settlement Statement showing TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller (b) (7)(C) as purchaser sales price of $85,000 with $77,842.41 cash to seller. No lender indicated, no origination fees collected, no per paid items collected, no escrow collected.

01/11/2002 Date on check from Hutcheson & Wynne, PC to TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller and (b) (7)(C) as purchaser for (b) (7)(C) in the amount of $77,842.41

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them.

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C)
	North Miami, FL 33167
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	$127,392
Loan Closing Date	09/24/2001
FPI	11/01/2001
Purchased:	11/13/2001

- This was a GMAC foreclosure
- GMAC assigned to Taylor Bean & Whitaker
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/10/2001
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data source – DDF

Borrower:	Lee B. Farkas
Property Address:	[redacted] (b) (7)(C) [redacted], North Miami, FL 33167
Fannie Mae Loan Number:	(b) (7)(C) [redacted]
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$127,392
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/10/2001
Certified (M):	10/11/2001
Purchased:	11/13/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI:	10/2001 as of 3/28/2002

DATA Source – Miami-Dade County Property Appraisal Public Access as of 04/12/2002

04/17/2000 [redacted] (b) (7)(C) [redacted] granted to [redacted] (b) (7)(C) [redacted] by Warranty Deed recorded in book 19071 on page 4961

04/17/2000 [redacted] (b) (7)(C) [redacted] granted to TAYLOR BEAN & WHITAKER MORTGAGE CORP. by Mortgage in book 19071 on page 4962

09/27/2000 TAYLOR BEAN & WHITAKER MORTGAGE CORP. granted to GMAC MTG Corp by Assignment of Mortgage in book 19299 on page 216

09/27/2000 [redacted] (b) (7)(C) [redacted] granted to GMAC by assignment of Mortgage in book 19299 on page 216

12/21/2000 GMAC granted judgment against [redacted] (b) (7)(C) [redacted] in book 19418 on page 2871

12/21/2000 GMAC to North Miami City of by [redacted] (b) (7)(C) [redacted] in book 19418 on page 2871

Data Source – Loan File

05/10/2001 GMAC foreclosure date

06/26/2001 Letter to Occupant sent by GMAC informing occupant of a forthcoming "Notice to Quit". Letter indicated [redacted] (b) (7)(C) [redacted] as former owner.

06/26/2001 Start eviction letter from GMAC to McCalla, Rayner, Padrick, Cobb, Nichols, & Clark

10/02/2001 Eviction notice from [redacted] (b) (7)(C) [redacted] Attorney at Law

10/02/2001 "Notice to Appear" from the City of North Miami to GMAC

10/02/2001 "email" message to [redacted] (b) (7)(C) [redacted] from [redacted] (b) (7)(C) [redacted] informing that the property occupied and lockout scheduled for 10/05.

10/03/2001 Listing termination notice from GMAC to [redacted] (b) (7)(C) [redacted], Broker Company, informing company that listing will remain with same office but contact change to [redacted] (b) (7)(C) [redacted] Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

10/05/2001 Broker's Price Opinion from REMAX Advance Realty with suggested list price of $92,900

01/08/2002 "email" from [redacted] (b) (7)(C) [redacted] about re-keying property.

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them.

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C)
	McDonough, GA 30353
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	$156,551
Loan Closing Date:	09/24/2001
FPI	11/01/2001
Purchased:	11/08/2001

- This was a GMAC FHA foreclosure
- GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed recording date of 05/01/2001
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/17/2001
- Taylor Bean & Whitaker (as seller) sold property for $116,000 on 02/07/2002 with net proceeds to seller of $107,155.
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C) McDonough, GA 30353
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$158,551
Loan Closing Date:	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/17/2001
Certified (M):	10/18/2001
Purchased:	11/08/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	10/2001 as of 03/28/2002

Data Source – Title Search

08/01/2000 (b) (7)(C) granted to (b) (7)(C) by Warrant Deed recorded in book 3794 on page 36.

08/01/2000 (b) (7)(C) granted to Taylor Bean & Whitaker Mortgage Corporation by Security Deed recorded in book 3794 on page 37.

03/23/2001 Mortgage Electronic Registration Systems, Inc. its successors and assigns, as nominee for Taylor Bean & Whitaker Mortgage Corp. by Assignment recorded in book 04086 on page 8121

Data Source – Loan File

05/01/2001 Foreclosure date, (b) (7)(C) as former owner, a FHA loan case number 1019389231703

05/01/2001 GMAC Mortgage Corporation granted to TAYLOR BEAN & WHITAKER MORTGAGE CORP. by Special Warranty Deed

05/01/2001 GMAC Mortgage Corporation granted to the Secretary of Housing and Urban Development by Special Warranty Deed

10/01/2001 Listing Termination Notification to REMAX Greater Atlanta from GMAC with statement that listing will remain with REMAX but to contact Erla Carter-Shaw, Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

12/20/2001 Purchase and Sale Agreement with TAYLOR BEAN & WHITAKER MORTGAGE CORP as seller and Shirley Patterson as purchaser with sales price of $116,000

01/28/2002 Taylor Bean & Whitaker MTG Corp granted to Shirley Patterson by Limited and Special Warrant Deed

02/07/2002 HUD-1 Settlement Statement in file TAYLOR BEAN & WHITAKER MORTGAGE CORP as seller, Shirley Patterson as purchaser with cash to seller in the amount of $107,155. (This was a cash transaction. No lender indicated, no origination fees collected, no per paid items collected, no escrow collected.)

Check in file from Republic Title Insurance Agency showing seller proceeds buyer Shirley Patterson for subject property.

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C)
	Sandersville, GA 31082
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	$144,373
Loan Closing Date	09/24/2001
FPI	11/01/2001
Purchased:	11/09/2001

- Laser reported action code paid in full with action date 01/2002. The LPI date was 10/01/2001.
- This was a GMAC FHA foreclosure
- GMAC assigned to Taylor Bean & Whitaker
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/17/2001
- Taylor Bean & Whitaker (as seller) sold property for $85,000 on 01/04/2002 with net proceeds to seller of $88,687.44.
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C), Sandersville, GA 31082
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$144,373
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/17/2001
Certified (M):	10/18/2001
Purchased:	11/09/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
Laser LPI Date:	10/2001 with laser reporting action code paid in full with action date 01/2002 as of 03/28/2002

Data Source – Title Search

09/19/2000 Parrish Development, Inc. granted (b) (7)(C) by Warranty Deed recorded 09/22/2000 in book 12a page 700.

09/19/2000 (b) (7)(C) granted Farmers and Merchants Bank by Deed to Secure Debt recorded 09/22/2000 in book 12a page 702.

Data Source – Loan File

05/08/2000 (b) (7)(C) granted to (b) (7)(C) by Warranty deed recorded in book 11-X on page 544-545

02/06/2001 Foreclosure date, (b) (7)(C) as former mortgagor, GMAC as Investor, a FHA loan

04/19/2001 Appraised value $87,000

11/13/2001 Purchase and Sale agreement for $95,000 (b) (7)(C), representative of TAYLOR BEAN & WHITAKER MORTGAGE CORP. (seller) and (b) (7)(C) (purchaser)

01/04/2002 HUD-1 Settlement Statement Taylor Bean & Whitaker (seller) and (b) (7)(C) (purchaser) for subject property with cash to seller in amount of $88,687.44, First National Bank as lender.

01/04/2002 Date on check in file for $88,687.44 from Hutcheson & Wynne, PC to TAYLOR BEAN & WHITAKER MORTGAGE CORP. which represents net proceeds from sale of property to (b) (7)(C)

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

Borrower:	**Lee B. Farkas**
Property Address:	(b) (7)(C) **, Stockbridge, GA 30281**
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	**$115,365**
Loan Closing Date	**09/24/2001**
FPI	**11/01/2001**
Purchased:	**11/09/2001**

- **This was a GMAC FHA foreclosure**
- **GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed recording date of 04/03/2001**
- **Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.**
- **Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/17/2001**
- **Taylor Bean & Whitaker (as seller) sold property for $102,000 on 02/26/2002 with net proceeds to seller of $92,702.87.**
- **At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.**
- **At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.**

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C) Stockbridge, GA 30281
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$115,365
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/17/2001
Certified (M):	10/18/2001
Purchased:	11/09/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	10/2001 as of 03/28/2002

Data Source – Title Search

05/01/1996 (b) (7)(C) granted to Wachovia Mortgage Company by Security Deed recorded in book 2301 on page 63

06/19/1996 Assigned to American Home Funding, Inc. by Security Deed recorded in book 2338 on page 51

07/06/2000 (b) (7)(C) granted to (b) (7)(C) , Jr. by Limited Power of Attorney recorded in book 3764 on page 1

07/06/2000 (b) (7)(C) granted to (b) (7)(C) by Warranty Deed recorded in book 3764 on page 2

07/06/2000 (b) (7)(C) to TAYLOR BEAN & WHITAKER MORTGAGE CORP. by Security Deed recorded in book 3764 on page 3

01/22/2001 TAYLOR BEAN & WHITAKER MORTGAGE CORP. assigned to GMAC Mortgage Corporation by Assignment of Mortgage/Security Deed/Deed of Trust recorded in book 4002 on page 99

Data Source – Loan File

04/03/2001 Foreclosure date

04/03/2001 GMAC Mortgage Corporation assigned by Special Warranty Deed to TAYLOR BEAN & WHITAKER MORTGAGE CORP. FHA loan case number 1019359059703

07/20/2001 Broker's Price Opinion (for GMAC)

08/01/2001 Appraisal ordered by GMAC value $102,900

09/13/2001 Property listed for sale for GMAC Mortgage by REMAX Greater Atlanta for $113,900. New listing agreement between REMAX Greater Atlanta and TAYLOR BEAN & WHITAKER MORTGAGE CORP. for subject property for $102,000

09/28/2001 Listing Termination Notification from GMAC to REMAX Greater Atlanta indicating that listing will remain with firm but contact (b) (7)(C), Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

1/25/2002 Date of signed Purchase and Sale Agreement for $102,000 between TAYLOR BEAN & WHITAKER MORTGAGE CORP., (b) (7)(C), Vice President, as seller and (b) (7)(C) as purchaser

02/26/2002 HUD-1 Settlement Statement showing TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller and (b) (7)(C) as borrowers with $92,702.87 cash to seller. Home America Mortgage as lender.

02/26/2002 Date on check from Republic Title Insurance Agency in the amount of $92,702.87 to TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller and (b) (7)(C) as buyers

02/26/2002 TBW granted to (b) (7)(C) by Warranty Deed.

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C) , Miami, FL 33147
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	(b) (7)(C)
Loan Amount:	$88,092
Loan Closing Date	09/24/2001
FPI	11/01/2001
Purchased:	11/09/2001

- This was a GMAC
- GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed 09/04/2001 recording date of 02/15/2002
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/10/2001
- Taylor Bean & Whitaker (as seller) sold property on 02/08/2002 with net proceeds to seller of $32,120.79
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	[redacted] (b) (7)(C), Miami, FL 33147
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	[redacted]
Seller Number:	[redacted]
Servicer Number:	[redacted]
Contract Number:	[redacted]
Loan Amount:	$88,092
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/10/2001
Certified (M):	10/11/2001
Purchased:	11/09/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	10/2001 as of 03/28/2002

Data Source – Title Search

08/23/2001 GMAC file judgment against [redacted] (b) (7)(C) [redacted] recorded in book 19667 on page 4071.

07/10/2001 Miami Clerk Circuit Court granted judgment to GMAC Mortgage Corporation by Certificate of Title, Chapter 45 recorded in book 19769 on page 1184

02/15/2002 GMAC MTG Corp assigned to Taylor Bean & Whitaker MTG Corp by Special Warranty Deed recorded in book 20207on page 1997

02/15/2002 Taylor Bean & Whitaker MTG Corp granted to [redacted] (b) (7)(C) [redacted] by Special Warrant Deed recorded in book 20207 on page 1999

Data Source – Loan File

06/29/2001 Foreclosure date

09/04/2001 GMAC Mortgage Corporation assigned to TAYLOR BEAN & WHITAKER MORTGAGE CORP. by Special Warrant Deed

10/02/2001 First Notice of Repair or Demolish from the City of Miami dated 09/18/2001 to GMAC

10/03/2001 Listing Termination Notification from GMAC to Tropical Realty indicating that listing will remain with firm but contact [redacted] (b) (7)(C) [redacted], Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

10/30/2001 Broker Price Opinion $29,000

12/19/2001 Listing Agreement between TAYLOR BEAN & WHITAKER MORTGAGE CORP. and Tropical Realty Inc

01/04/2002 Real Estate listing for property stated, "corporate owned property sold in "as is" condition and demolition order by unsafe structures. Cash sale only"

02/08/2001 HUD-1 Settlement Statement showing TAYLOR BEAN & WHITAKER MORTGAGE CORP. as seller, [redacted] (b) (7)(C) [redacted] as borrowers, with cash to seller in the amount of $32,120.79. (No lender indicated, no origination fees collected, no per paid items collected, no escrow collected)

02/12/2002 Date on check from Law Office of [redacted] (b) (7)(C) [redacted] in the amount of $32,120.79 to TAYLOR BEAN & WHITAKER MORTGAGE CORP as seller, [redacted] (b) (7)(C) [redacted] as buyer.

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C)
	West Palm beach, FL 34415
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	$108,335
Loan Closing Date	09/24/2001
FPI	11/01/2001
Purchased:	11/09/2001

- This was a GMAC foreclosure
- GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed recording date of 09/04/2001
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 10/10/2001
- Taylor Bean & Whitaker (as seller) sold property 02/08/2002 with net proceeds to seller of $81,083.45 and Option One Mortgage as lender.
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C), West Palm beach, FL 34415
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$108,335
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/10/2001
Certified (M):	10/11/2001
Purchased:	11/09/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM
LASER LPI Date:	10/2001 as of 03/28/2002

Data Source – Title Search

07/31/2001 Clerk Circuit Court granted to GMAC Mortgage Corp by Certificate of Title recorded 07/31/2001 in book 12773 on page 1447.

08/07/2001 TBW granted to GMAC by Assignment of Mortgage recorded in book 12798 on page 1547

02/25/2002 GMAC MTG Corp granted to Taylor Bean & Whitaker MTG Corp by Special Warranty Deed recorded in book 13445 on page 1195.

02/25/2002 Taylor Bean & Whitaker MTG Corp assigned to (b) (7)(C) by Warranty Deed recorded in book 13445 on page 1196.

02/25/2002 (b) (7)(C) granted to Option One Mortgage Corporation by Mortgage recorded in book 13445 on page 1197.

Data Source – Loan File

07/19/2001 Foreclosure date - Mortgagor (b) (7)(C)

07/31/2001 Clerk Circuit Court assigned to GMAC by Certificate of Title

08/22/2001 Broker Price Opinion $82, 500

09/02/2001 Appraised Value $85,000

09/04/2001 GMAC Mortgage Corporation assigned to TAYLOR BEAN & WHITAKER MORTGAGE CORP by Special Warranty Deed

10/01/2001 Listing Termination Notification to The Real Estate Office Co indicating that listing will remain with firm but contact (b) (7)(C), Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

10/09/2001 Title search showed title vested in GMAC Mortgage Corporation

10/17/2001 Contract for Sale and Purchase between GMAC and (b) (7)(C) assigned to TAYLOR BEAN & WHITAKER MORTGAGE CORP, signed 10/17/2001 by purchaser and 10/10/2001 by TAYLOR BEAN & WHITAKER MORTGAGE CORP.

01/10/2002 Second contract signed by (b) (7)(C) and TAYLOR BEAN & WHITAKER MORTGAGE CORP.

02/08/2002 Date on HUD-1 Settlement Statement indicating TAYLOR BEAN & WHITAKER MORTGAGE CORP as seller, (b) (7)(C) as purchaser, Option One Mortgage Corporation as lender, with cash to seller in amount of $81,083.45

02/08/2002 TAYLOR BEAN & WHITAKER MORTGAGE CORP. assigned to (b) (7)(C) by Warranty Deed

02/08/2002 Date on check from (b) (7)(C) in the amount of $81,083.45 to TAYLOR BEAN & WHITAKER MORTGAGE CORP as seller and Ronald Fifield as buyers

02/08/2002 Date of Bill of Sale, Absolute from TAYLOR BEAN & WHITAKER MORTGAGE CORP. to (b) (7)(C)

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C), Orlando, FL 32808
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Loan Amount:	$102,090
Loan Closing Date	09/24/2001
FPI	11/01/2001
Purchased:	11/29/2001

- This was a GMAC FHA foreclosure
- GMAC assigned to Taylor Bean & Whitaker with a Special Warranty Deed recording date of 11/26/2001
- Letter in file dated October 24, 2001 indicated that GMAC gave Taylor Bean & Whitaker until October 12, 2001 to repurchase said loan with eight more.
- Taylor Bean & Whitaker delivered note to Fannie Mae for purchase 11/29/2001
- Taylor Bean & Whitaker (as seller) sold property 11/13/2001 with net proceeds to seller of $55,723.64 and Karen S Chana as lender.
- At the time loan was delivered to Fannie Mae, the property was owned by the corporation and being marketed by the corporation as an active REO.
- At no time prior to the delivery of the mortgage loan to Fannie Mae did the borrower, Lee Farkas, have title to the property.

Data Source – DDF

Borrower:	Lee B. Farkas
Property Address:	(b) (7)(C), Orlando, FL 32808
Fannie Mae Loan Number:	(b) (7)(C)
Lender Loan Number:	
Seller Number:	
Servicer Number:	
Contract Number:	
Loan Amount:	$102,090
Loan Closing Date	09/24/2001
FPI	11/01/2001
Mornet Received Date:	10/24/2001
Certified (M):	10/25/2001
Purchased:	11/29/2001
Loan Type:	3
Custodian:	Fannie Mae
Amortization Type:	FRM

Data Source – Title Search

11/30/1999 (b) (7)(C) granted to (b) (7)(C) by Warranty Deed recorded in book 5890 on page 4434.

04/11/2000 (b) (7)(C) granted to (b) (7)(C) by Warranty Deed recorded in book 5979 on page 4340.

04/11/2000 (b) (7)(C) granted to Mortgage Firm Inc. by Mortgage recorded in book 5979 on page 4341.

04/11/2000 Mortgage Inc. assigned to Taylor Bean & Whitaker Mortgage Corporation by Assignment of Mortgage recorded in book 5979 on page 4348.

12/04/2000 Taylor Bean & Whitaker Mortgage Corporation assigned to GMAC MTG Corp by Assignment of Mortgage recorded in book 6142 on page 1136.

01/04/2001 GMAC filed Lis Pendens (GMAC filed a judgment against (b) (7)(C).) recorded in book 6163 on page 3562

01/24/2001 Taylor Bean Whitaker Mortgage Corporation assigned to GMAC MTG Corp by Assignment of Mortgage recorded in book 6178 on page 2523

03/26/2001 Judgment award to GMAC against (b) (7)(C) et al recorded in book 6221 on page 3591

05/08/2001 Orange County Clerk of the Court granted to GMAC by Certificate of title recorded in book 6253 on page 316.

11/26/2001 GMAC assigned to Taylor Bean & Whitaker Mortgage Corporation by Special Warranty Deed recorded in book 6397 on page 4445.

11/26/2001 Taylor Bean & Whitaker Mortgage Corporation granted to Pyet Hollyar Holding LLC by Special Warranty Deed recorded in book 6397 on page 4446.

11/26/2001 Pyet Hollyar Holding LLC, personally guaranteed by (b) (7)(C), granted to (b) (7)(C), ISAOA c/o KSC Mortgage, by Mortgage recorded in book 6397 on page 4447. (Re-recorded 01/22/2002 in book 6439 on page 1914)

Data Source – Loan File

12/11/2000 Foreclosure date

01/26/2001 Property marketed by GMAC Mortgage Corp

05/07/2001 Investor Loan Inquiry showed loan in a GNMA II Pool (0054760) with original principal balance of $84,956

06/07/2001 Listing assignment from GMAC to Ackley Realty, Inc as R.E. agency, a BPO estimate value of $59,900 with (b) (7)(C) as previous owner

06/15/2001 Appraisal completed for GMAC showed property value of $63,000

09/04/2001 GMAC assigned to Taylor Bean & Whitaker Mortgage by Special Warranty Deed

09/04/2001 Pre-approval letter from KSC Mortgage Service to Pyet Hollyar Holding LLC

10/01/2001 Listing Termination Notification to Ackley Realty indicating that listing will remain with firm but contact (b) (7)(C), Vice President at TAYLOR BEAN & WHITAKER MORTGAGE CORP.

10/18/2001 Contract for Sale and Purchase from GMAC (seller) to Pyet Hollyar Holding LLC (purchaser)

11/08/2001 Date of acknowledgement showing Taylor Bean and Whitaker Mortgage Corp granted to Pyet Hollyar Holding LLC by Special Warranty Deed

11/13/2001 Date on HUD-1 Settlement Statement indicating Taylor Bean & Whitaker as seller, Pyet Hollyar Holding LLC as buyer, (b) (7)(C) as lender, with cash to seller in the amount of $55,723.84.

11/14/2001 Date on check in file for $55,723.64 from Stewart Approved Title, Inc. to TAYLOR BEAN & WHITAKER MORTGAGE CORP showing Taylor Bean & Whitaker as seller, Pyet Hollyar Holding LLC as buyer

IN A LETTER DATED OCTOBER 24, 2001, GMAC Mortgage requested that TAYLOR BEAN & WHITAKER MORTGAGE CORP. repurchase nine REO loans by 10/12/2001. This loan was one of them

TBW

Shaping Business Solutions

loans couldn't go in Ginnie Mae pools without MIC because doc. custodian would not certify Ginnie Pools w/o the MIC

---

16 loans

$1.5 Million UPB

reported

Changed LPI date to 9/2002 on Alkel

Corrected so they would be paid upon transfer

delinquent back to 5/2002

[redacted] told us he was instructed to change the dates for this purpose

Subject: Taylor Bean & Whitaker Loans
Date: Wed, 27 Mar 2002 13:54:08 -0500
From: (b) (7)(C)
Reply-To: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)

(b) (7)(C), here's the total list of loans that we need title information on. I don't know which you have already sent to (b) (7)(C), so I'm sending the complete list. If you need anything further, please let me know.
-(b) (7)(C)a

(b) (7)(C)
North Miami, FL 33167

(b) (7)(C)
McDonough, GA 30353

(b) (7)(C)
Sandersville, GA 31082

(b) (7)(C)
Stockbridge, GA 30281

(b) (7)(C)
Miami, FL 33147

(b) (7)(C)
West Palm Beach, FL 34415

(b) (7)(C)
Sandersville, GA 31082

OPP
Exhibit No. 40
11.7.07 (b) (7)(C)

EXHIBIT

FNM-TBW
0014249

1 - (b) (7)(C)
fm# (b) (7)(C) upb - 199,001.95
ll# (b) (7)(C) orig loan amt - 200,000.00
lpi 12/01
acq date 12/01/01
Property: (b) (7)(C) ; Ocala, 34471

2 - (b) (7)(C)
fm# (b) (7)(C) upb - 247,500.00
ll# orig loan amt - 247,500.00
lpi 11/01
acq date 11/01/01
Property: (b) (7)(C) ; Surry, ME 04473

3 - lee
fm# (b) (7)(C) upb - 115,365.00
ll# orig loan amt - 115,365.00
lpi 11/01
acq date 11/13/01
Property: (b) (7)(C) ; Stockbridge, GA 30281

4 - lee
fm# (b) (7)(C) upb - 88,092.00
ll# orig loan amt - 88,092.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C) ; Miami, 33147

5 - lee
fm# (b) (7)(C) upb - 108,335.00
ll# orig loan amt - 108,335.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C) ; West Palm Beach, 34415

6 - lee
fm# (b) (7)(C) upb - 127,392.00
ll# orig loan amt - 127,392.00
lpi 10/01
acq date 11/14/01
Property: (b) (7)(C) ; North Miami, 33167

7 - lee
fm# (b) (7)(C) upb- 156,551.00
ll# orig loan amt - 156,551.00
lpi 10/01
acq date 11/9/01
Property: (b) (7)(C) ; McDonough, GA 30353

8 - lee
fm# (b) (7)(C) upb - 0 this loan is coded a 60/payoff in laser
ll# orig loan amt - 144,373.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C) Sandersville, GA 31082

9 - lee
fm# (b) (7)(C) upb - 102,006.32
ll# orig loan amt - 102,090.00
lpi 11/01
acq date 11/30/01
Property: (b) (7)(C) ; Orlando, 32808

10 - lee
fm# (b) (7)(C) upb - 105,201.70
ll# orig loan amt - 105,288.00
lpi 11/01
acq date 11/30/01
Property: (b) (7)(C) ; Sandersville, GA 31082

Opp
Exhibit No. 39
11.7.07 (b) (7)(C)

FNM-TBW
0012189

EXHIBIT
tabbies

1 - (b) (7)(C)
fm# (b) (7)(C) upb - 199,001.95
ll# [redacted] orig loan amt - 200,000.00
lpi 12/01
acq date 12/01/01
Property: (b) (7)(C); Ocala, 34471

2 - (b) (7)(C)
fm# (b) (7)(C) upb - 247,500.00
ll# [redacted] orig loan amt - 247,500.00
lpi 11/01
acq date 11/01/01
Property: [redacted] Surry, ME 04473

3 - lee
fm# (b) (7)(C) upb - 115,365.00
ll# [redacted] orig loan amt - 115,365.00
lpi 11/01
acq date 11/13/01
Property: (b) (7)(C); Stockbridge, GA 30281

4 - lee
fm# (b) (7)(C) upb - 88,092.00
ll# [redacted] orig loan amt - 88,092.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C); Miami, 33147

5 - lee
fm# (b) (7)(C) upb - 108,335.00
ll# [redacted] orig loan amt - 108,335.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C); West Palm Beach, 34415

6 - lee
fm# (b) (7)(C) upb - 127,392.00
ll# [redacted] orig loan amt - 127,392.00
lpi 10/01
acq date 11/14/01
Property (b) (7)(C) [redacted]; North Miami, 33167

7 - lee
fm# (b) (7)(C) upb- 156,551.00
ll# [redacted] orig loan amt - 156,551.00
lpi 10/01
acq date 11/9/01
Property: (b) (7)(C); McDonough, GA 30353

8 - lee
fm# (b) (7)(C) upb - 0 this loan is coded a 60/payoff in laser
ll# [redacted] orig loan amt - 144,373.00
lpi 10/01
acq date 11/13/01
Property: (b) (7)(C); Sandersville, GA 31082

9 - lee
fm# (b) (7)(C) upb - 102,006.32
ll# [redacted] orig loan amt - 102,090.00
lpi 11/01
acq date 11/30/01
Property: (b) (7)(C); Orlando, 32808

10 - lee
fm# (b) (7)(C) upb - 105,201.70
ll# [redacted] orig loan amt - 105,288.00
lpi 11/01
acq date 11/30/01
Property: (b) (7)(C); Sandersville, GA 31082

Subject: [Fwd: Re: [Fwd: Need your help]]
Date: Tue, 26 Mar 2002 14:34:18 -0600
From: [redacted] Internal
Organization: Fannie Mae
To: [redacted]
CC: [redacted]

[redacted] below are 13 loans that [redacted] picked up in an SSN search. Let me know if you would like us to do anything to help with them!

-------- Original Message --------
Subject: Re: [Fwd: Need your help]
Date: Tue, 26 Mar 2002 14:26:31 -0600
From: [redacted]
Organization: Fannie Mae
To: [redacted]
References: <3CA0B8A8.DD503811@fanniemae.com>

[redacted]

Here are the results of the search:

[redacted]: Lee PIF

4001919260 4001919261 4001919262 4001919263 4001919264
4001919265 4001958039 4001958040

[redacted]: [redacted]
vert old PIF
~~1653363291~~ 1678762180

[redacted] [redacted]
Her primary
4001115245

[redacted]: [redacted]
sold in 1999
1673345706 1679066394

[redacted]

[redacted] wrote:

> [redacted], please run these four SSNs. Thanks!
>
> [redacted]

FNM-TBW
0014253

Opp
Exhibit No. 38
11.7.07 [redacted]

-------- Original Message --------
Subject: Need your help
Date: Tue, 26 Mar 2002 12:48:01 -0500
From: (b) (7)(C)
Reply-To: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)
CC:

(b) (7)(C), we have discovered what may be a problem with one of our lenders - Taylor, Bean & Whitaker. The servicing consultant found some delinquent loans (0 payment defaults) made to the company's owner & officers. Can you run their social security numbers against what we have purchased since 1/1/01 and see what comes up? I know you are busy, but time is pretty critical here. We want to do as much background work as possible before they find out that we are searching. Thanks. (b) (7)(C)

Lee B. Farkas
(b) (7)(C)
(b) (7)(C)

FNM-TBW
0014254

FannieMae

MEMORANDUM

EASTERN BUSINESS CENTER

DRAFT

CONFIDENTIAL

Date	:	June __, 2002
To	:	(b) (7)(C)
From	:	Zach Oppenheimer
Subject:	:	**Exposure on Taylor, Bean and Whitaker ("TBW")**

Current Status -

Pursuant to a settlement agreement dated April 4 dealing with termination issues and the unwinding of the relationship, TBW, with the joinder of Fannie Mae, completed the sale and transfer of the Fannie Mae servicing portfolio, effective as of May 31, 2002, to GMAC Mortgage. GMAC Mortgage has assumed all selling and servicing warranties. The Custodial account funds, which were previously moved to Fannie Mae on April 1, were wired to GMACM as the new servicer, except we continue to hold $187,000 for escrow advances made by TBW that will be released to TBW when GMACM confirms that number.

The obligations due from TBW under the ASAP+ lines have been resolved. Ninety (90) loans with selling warranty breaches have been repurchased ($9.4 million). Fannie Mae currently holds approximately $1,250,000 to secure any issues that remain and we expect to return most of that amount to TBW, or its warehouse bank, upon resolution of any issues with respect to the repurchase amounts.

As part of the servicing sale, Fannie Mae received an updated release from TBW. The sole exclusion is to reconcile the repurchase amounts claimed by Fannie Mae and to verify with TBW's warehouse lender that all repurchased notes have been returned to the warehouse lender or otherwise accounted for properly by Fannie Mae.

There is no known current exposure with TBW. We have also advised TBW that we will not change their status to an approved, inactive lender status as they have requested. TBW has been allowed to continue to use DO/DU on a temporary basis to service some community banks and has been pre-paying the fees for such usage, but that arrangement will end after we give TBW a short transition period. Upon completion of the June loan reporting cycle, we will be able to verify that GMACM is listed as the servicer for all of the Fannie Mae loans and confirm closure with TBW.

Opp
Exhibit No. 37
11.7.07 (b) (7)(C)

CC: (b) (7)(C)

Zachmemo062402.doc

Subject: **TBW Update**
Date: Fri, 10 May 2002 17:04:11 -0400
From: (b) (7)(C) **Internal**
Organization: Fannie Mae
To: Zach Oppenheimer (b) (7)(C),
(b) (7)(C)

Attached is today's update. A few changes to mention;

I have included the PMI repurchase amount on the Fannie Mae side and the holdback amount on the TBW side of the spreadsheet. I sent (b) (7)(C) the draft repurchase letter late this afternoon and it should go out Monday.

I have added the 7 additional EPD loans to the spreadsheet and combined them with the 1 EPD already reflected there (the $84,000 amount) for a total of 8 loans and $693,421. Of the 8 loans, we have sent 4 repurchase letters so far. The other four should go out Monday (one of the four may be cleared but it is included now for the sake of simplicity).

I also added a footnote about the uninsured government loans noting a potential $10 to 12 million repurchase exposure.

The net now shows an amount due to Fannie Mae of $362,975.

That's all for today. Have a great weekend. (b) (7)(C)

TBWupdate.xls	**Name:** TBWupdate.xls **Type:** EXCEL File (application/msexcel) **Encoding:** base64

Opp
Exhibit No. 36
11.7.07 (b) (6)

FNM-TBW
0011660

EXHIBIT
tabbies

TALLY ON NET DUE TO FANNIE MAE
AS OF 5/10/02

DUE FANNIE MAE		DUE TBW	
PMI Repurchases	$ 1,658,668.00	Trading Desk refund	$ 273,828.00
Jan Fee Reconciliation	$ 1,007,451.00	FEB Gfee Adjust	$ 840,428.00
Feb Fee Reconciliation	$ 229,816.00	MAR Gfee Adjust	$ 445,919.00
Additional EPD repurchases	$ 693,421.00	APR Gfee Adjust	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans	$ 1,658,668.00
TOTAL	$ 3,599,669.00		$ 3,236,694.00

CURRENT NET DUE FANNIE MAE **$ 362,975.00**

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. A draft repurchase letter is completed and is being circulated for comment.

NOTE: Fee reconciliation amounts are worst case numbers. We expect a reduction in the final amount TBW owes us from loan level price adjustments. Also note that March and April figures are not yet available and thus are not reflected in these numbers.

NOTE: We have discovered the existence of over 200 uninsured government loans in the TBW servicing portfolio. This represents a potential repurchase obligation of $10 to 12 million.

Subject: **TBW Update**
Date: Fri, 17 May 2002 16:00:28 -0400
From: '[redacted] (b) (7)(C)
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C)

[redacted] (b) (7)(C)

Here is the latest. We now have payoff amounts on the repurchases, including interest and other expenses, so those amounts have increased. I also added in the FHA/MI/RHS claim delay issues our Dallas folks are working on ($608,230). Our Termination-related expenses are reflected on a separate spreadsheet (attached) and are not included in my spreadsheet. Finally, I left a spot to add in some misc interest related to the repurchase of the first 28 loans. Thanks, [redacted] (b) (7)(C)

TBWexpenses.xls	**Name:** TBWexpenses.xls **Type:** EXCEL File (application/msexcel) **Encoding:** base64 **Download Status:** Not downloaded with message

TBWupdate.xls	**Name:** TBWupdate.xls **Type:** EXCEL File (application/msexcel) **Encoding:** base64 **Download Status:** Not downloaded with message

FNM-TBW
0011656

EXHIBIT
tabbies

TALLY ON NET DUE TO FANNIE MAE
AS OF ~~5/15/02~~
5/17/02

DUE FANNIE MAE		DUE TBW	
PMI Repurchases	$ 1,759,825.00	Trading Desk refund	$ 273,828.00
Jan/Feb Fee Reconciliation	$ 1,237,267.00	FEB Gfee Adjust	$ 840,428.00
MI/FHA/RHS Claims Issues	$ 608,230.00	MAR Gfee Adjust	$ 445,919.00
Additional EPD repurchases	$ 635,085.00	APR Gfee Adjust	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans	$ 1,658,668.00
Repurchase interest shortfall			
TOTAL	$ 4,250,720.00		$ 3,236,694.00

CURRENT NET DUE FANNIE MAE **$1,014,026.00**

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. ~~A draft repurchase letter is completed and is being circulated for comment.~~ Repurchase Demand 5/13/02

NOTE: Fee reconciliation amounts are worst case numbers. We expect a reduction in the final amount TBW owes us from loan level price adjustments. Also note that March and April figures are not yet available and thus are not reflected in these numbers.

NOTE: We have discovered the existence of over 200 uninsured government loans in the TBW servicing portfolio. This represents a potential repurchase obligation of $20 million.

NOTE: Additional EPD repurchases--7loans including 3 FHA loans lacking insurance and 4 conventional loans.
Repurchase Demands made

31 loans

MI missing package

FNM-TBW
0011657

TALLY ON NET DUE TO FANNIE MAE
AS OF 5/15/02

DUE FANNIE MAE		**DUE TBW**	
PMI Repurchases	$ 1,658,668.00	Trading Desk refund	$ 273,828.00
Jan Fee Reconciliation	$ 1,007,451.00	FEB Gfee Adjust	$ 840,428.00
Feb Fee Reconciliation	$ 229,816.00	MAR Gfee Adjust	$ 445,919.00
Additional EPD repurchases	$ 591,031.00	APR Gfee Adjust	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans	$ 1,658,668.00
TOTAL	$ 3,497,279.00		$ 3,236,694.00

CURRENT NET DUE FANNIE MAE **$ 260,585.00**

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. A draft repurchase letter is completed and is being circulated for comment.

NOTE: Fee reconciliation amounts are worst case numbers. We expect a reduction in the final amount TBW owes us from loan level price adjustments. Also note that March and April figures are not yet available and thus are not reflected in these numbers.

NOTE: We have discovered the existence of over 200 uninsured government loans in the TBW servicing portfolio. This represents a potential repurchase obligation of $10 to 12 million.

NOTE: Additional EPD repurchases--7loans including 3 FHA loans lacking insurance and 4 conventional loans.

Subject: TBW Tally
Date: Wed, 29 May 2002 15:57:16 -0400
From: [redacted] (b) (7)(C)
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]

Here is the latest version. TBW completed their review of the February reconciliation and determined they owed us $137,672. We confirmed receipt of a wire in that amount from them this afternoon. Removing February reconciliations from the spreadsheet leaves us with a balance due TBW of $115,835. Of course, that does not include the 208 uninsured loans. [redacted] (b) (7)(C)

TBWupdate.xls	**Name:** TBWupdate.xls **Type:** EXCEL File (application/msexcel) **Encoding:** base64

FNM-TBW
0011646

EXHIBIT
tabbies

TALLY ON OUTSTANDING BALANCES
AS OF 5/29/02

DUE FANNIE MAE		DUE TBW	
PMI Repurchases	$ 1,759,825.00	Trading Desk refund	$ 273,828.00
JAN Delivery Fees owed		FEB Gfee Adjust	$ 840,428.00
MI/FHA/RHS Claims Issues	$ 619,724.00	MAR Gfee Adjust	$ 445,919.00
Additional EPD repurchases	$ 635,085.00	APR Gfee Adjust	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans	$ 1,658,668.00
Repurchase interest shortfall	$ 34,900.00		
Termination-related expenses	$ 61,012.00		
FEB fee reconciliation amount			
TOTAL	$ 3,120,859.00		$ 3,236,694.00

CURRENT NET DUE TBW **$ 115,835.00**

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. Repurchase letter mailed May 13th.

NOTE: TBW wired us funds ($773,131) to cover the January loan level price adjustments due. TBW wired us funds today($137,672) to cover the February loan level price adjustments due. March and April numbers are not yet available.

NOTE: Claims issues: 7 unpaid FHA claims ($596,021); 1 make whole due to missing MI ($17,419); 1 RHS claim curtailment ($6,284)

NOTE: Additional EPD repurchases--7loans including 3 FHA loans lacking insurance and 4 conventional loans.

NOTE: Odds of investor claim drop dramatically by the end of June.

NOTE: Interest shortfall is the difference between the $3,615,400 holdback from April 3rd and the total repurchase amount including interest to the eventual repurchase date for 28 loans and 1 REO.

NOTE: These numbers do not reflect 208 uninsured loans with UPB of $20,109,183

NOTE: PCI broker's fee of $177,792 is not included in this computation

NOTE: (b)(7)(c) is investigating April LASER activity to determine if the Shortage/Surplus account has a shortgage for April activity. If it does, that amount would need to be held from the sales proceeds.

TALLY ON NET DUE TO FANNIE MAE
AS OF 5/21/02

DUE FANNIE MAE		DUE TBW	
PMI Repurchases	$ 1,759,825.00	Trading Desk refund	$ 273,828.00
Jan/Feb Fee Reconcillation	$ 1,002,947.00	FEB Gfee Adjust	$ 840,428.00
MI/FHA/RHS Claims Issues	$ 614,522.00	MAR Gfee Adjust	$ 445,919.00
Additional EPD repurchases	$ 635,085.00	APR Gfee Adjust	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans	$ 1,658,668.00
Repurchase interest shortfall	$ 34,900.00		
Termination-related expenses	$ 60,979.00		
TOTAL	$ 4,118,571.00		$ 3,236,694.00

CURRENT NET DUE FANNIE MAE **$ 881,877.00**

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. Repurchase letter mailed May 13th.

NOTE: Fee reconcillation amounts are actual January and estimated February. We expect a reduction in the final amount TBW owes us from loan level price adjustments. Also note that March and April figures are not yet available and thus are not reflected in these numbers. (JAN actual $773,131) (FEB estimate $229,816)

NOTE: Claims issues: 7 unpaid FHA claims ($596,021); 1 unpaid conventional claim ($12,217); 1 RHS interest curtailment ($6284)

NOTE: Additional EPD repurchases--7loans including 3 FHA loans lacking insurance and 4 conventional loans.

NOTE: Odds of investor claim drop dramatically by the end of June.

NOTE: Interest shortfall is the difference between the $3,615,400 holdback from April 3rd and the total repurchase amount including interest to the eventual repurchase date.

NOTE: These numbers do not reflect 208 uninsured loans with UPB of $20,109,183

NOTE: PCI broker's fee of $177,792 is not included in this computation

TALLY ON OUTSTANDING BALANCES
AS OF 6/4/02

DUE FANNIE MAE		DUE TBW	
PMI Repurchases	$ 1,759,825.00	Trading Desk refund **	$ 273,828.00
JAN Delivery Fees owed		FEB Gfee Adjust *	$ 840,428.00
MI/FHA/RHS Claims Issues	$ 619,724.00	MAR Gfee Adjust *	$ 445,919.00
Additional EPD repurchases	$ 499,350.00	APR Gfee Adjust *	$ 17,851.00
Potential investor claim	$ 10,313.00	Holdback for PMI loans *	$ 1,658,668.00
Repurchase interest shortfall	$ 34,900.00		
Termination-related expenses	$ 61,012.00		
FEB fee reconciliation amount			
TOTAL	$ 2,985,124.00		$ 3,236,694.00

CURRENT NET HOLDBACK AMOUNT **$ 251,570.00**

* THESE FUNDS ARE CURRENTLY HELD BY ASSET DEVELOPMENT & MANAGEMENT
** THESE FUNDS ARE CURRENTLY HELD BY THE TREASURY GROUP

NOTE: We are holding $1,658,668 against the potential repurchase of 18 loans known collectively as the PMI loans. Repurchase letter mailed May 13th.

NOTE: TBW wired us funds ($773,131) to cover the January loan level price adjustments due. TBW wired us funds today($137,672) to cover the February loan level price adjustments due. March and April numbers are not yet available.

NOTE: Claims Issues: 7 unpaid FHA claims ($596,021); 1 make whole due to missing MI ($17,419); 1 RHS claim curtailment ($6,284)

NOTE: Additional EPD repurchases--6 loans including 2 FHA loans lacking insurance and 4 conventional loans.

NOTE: Odds of investor claim drop dramatically by the end of August.

NOTE: Interest shortfall is the difference between the $3,615,400 holdback from April 3rd and the total repurchase amount including interest to the eventual repurchase date for 28 loans and 1 REO.

NOTE: These numbers do not reflect 208 uninsured loans with UPB of $20,109,183

NOTE: PCI broker's fee of $177,792 is not included in this computation

NOTE: (b)(7)(c) is investigating April LASER activity to determine if the Shortage/Surplus account has a shortgage for April activity. If it does, that amount would need to be held from the sales proceeds.

Subject: **[Fwd: [Fwd: Sample Data - TBW]]**
Date: Mon, 15 Apr 2002 09:47:28 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)

-------- Original Message --------
Subject: [Fwd: Sample Data - TBW]
Date: Fri, 12 Apr 2002 14:50:25 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C) Zach Oppenheimer
(b) (7)(C)

Teammates:

FYI....

-------- Original Message --------
Subject: Sample Data - TBW
Date: Fri, 12 Apr 2002 14:32:52 -0400
From: (b) (7)(C)
To:
CC:

(b) (7)(C)

Attached is a spreadsheet containing the TBW sample data.

To summarize: Of 494 loans for which we ordered third-party reports, we received some information on 446.

Of the 446 loans for which we received some information, 155 of those were missing title vesting reports, preventing a full reporting on those records.

Of the 291 containing sufficient information for a full report, we found 58 loans in which vesting information differed from the information on your original tape and are broken down as follows:

34 loans -- The subject transaction was a purchase transaction. We suspect that the owner discrepancy is due to a lag in recorded information. There may well be no problems with these.

12 loans -- We found a discrepancy in owner, but not a necessarily a major one because we noted some

Opp
Exhibit No. 35
11.7.07 (b) (7)(C)

correlative factor, i.e., first name and initial. These may be explainable through owner marriages, deaths, etc.

12 loans – We found a major discrepancy. These loans definitely require additional attention.

I will follow up on Monday with a more formal summary report.

Thank you. [redacted]

<<Sample Data Final.xls>>

[redacted]
The Clayton Group, Inc.
2 Corporate Drive, Suite 350
Shelton, CT 06484
Phone [redacted]
Fax: 203-926-5752
Mobile
Email: [redacted]

Sample Data Final.xls	**Name:** Sample Data Final.xls **Type:** Microsoft Excel Worksheet (application/vnd.ms-excel) **Encoding:** base64 **Download Status:** Not downloaded with message

FNM-TBW
0012892

FannieMae

PHILADELPHIA, PA

DRAFT

CONFIDENTIAL

Date	:	April 9, 2002
To	:	(b) (7)(C)
From	:	Zach Oppenheimer
Subject:	:	**Exposure on Taylor, Bean and Whitaker ("TBW")**

Taylor, Bean and Whitaker was terminated as a Fannie Mae Seller/Servicer on April 1, 2002. In an April 4, 2002, settlement agreement, TBW has acknowledged their contract was validly terminated for cause and that Fannie Mae owns all legal rights relating to the servicing portfolio. The agreement also contained a general release in favor of Fannie Mae for any claims or suits relating to the termination and its effect.

Our outstanding exposure with TBW is as follows:

Servicing

$1.4 billion UPB outstanding as of 4/1/02; 10,922 loans. April deliveries of approximately $230 million are not yet reflected in the servicing portfolio.

We transferred all custodial funds out of TBW's control on April 1, and now manage these funds from a Fannie Mae account. TBW is acting as subservicer for Fannie Mae and has been given 60 days to complete a sale of the servicing portfolio on our behalf with all reps and warranties remaining in place. Evidence of an acceptable contract of sale to an acceptable servicer must be provided to us by April 19. The proceeds of any such sale will be available to be applied to any obligations that may remain due to Fannie Mae, such as additional repurchases, technology fees, any potential investor claim, or outstanding loan level price adjustments.

Early Funding

ASAP - As of April 1, there was approximately $189 million of ASAP deliveries funded, with pending deliveries of $26.5 million, $19 million, and $5.4 million. Pursuant to negotiations, Fannie Mae funded the $26.5 and $19 million deliveries, after performing file reviews and netting out 28 loan repurchases ($3,615,400), including the 8 fraudulent loans and other obligations of TBW, and taking control of the relevant loan files. The $5.4 million request was denied and appropriate documents were returned. As of noon today, the ASAP line has been reduced to $13.5 million and remaining loan deliveries are being verified.

FNM-TBW
0006700

EXHIBIT
OPP
Exhibit No. 34
11.7.07 (b) (7)(C)

Sooner-Than-Pooled Funding - $153,000 outstanding on April 1; paid off by TBW repurchases on April 3.

"Other" Funding - $231,000 outstanding on April 1; paid off by TBW repurchases on April 3.

Trading Desk and Cash Commitments

MBS Trading Desk: $190 million of trades outstanding on April 3; TBW paired out of full open position on April 4. Additional MBS trades were placed with our Trading Desk for corporate settlement, in order to deliver and payoff ASAP line on April 4 and 5. $4.4 million is currently held in our account – due to TBW from pairoffs and ASAP haircuts, subject to verification that all trades and other commitments have been finalized and certain other obligations resolved.

Cash Commitments: As of noon on April 9, $4.3 million outstanding.

Repurchases

Eight improper loan deliveries with Lee Farkas as borrower (approximately $1 million), and twenty other repurchase requests were completed by netting $3.6 million from the 4/3/02 wire. We held back another $1.6 million to cover additional potential repurchases from the 4/4/02 funding. We will complete file reviews on additional loans prior to the sale of servicing in order to determine if additional repurchases are required.

Pair off Overpayment on March trade

An overpayment to TBW of $1,189,965 was made due to a keying error on a March 21 trade. This was unknown at the time of the 4/3 and 4/4 wires. TBW remitted the funds to us on April 8.

Other exposure

Technology fees due: $107,000 past due; will deduct funds from today's Trading Desk remittance to TBW.

Potential Investor Claim: $47,000 (est.) possible claim on repurchased pool – due to double delivery of loans by TBW.

Loan-level price adjustments: approximately $1 million is due on previous deliveries of cash-out refinance loans and loans with subordinate financing; the precise amount is being substantiated.

Next steps

Next steps include reconciliation of all accounts, closing out trades and cash commitments, return of repurchased notes and loan files when appropriate, continued loan file reviews, servicing monitoring pending a sale of servicing, and facilitating a satisfactory and prompt sale of servicing. Please let me know if you have any questions or require additional information.

cc: [redacted] (b) (7)(C)

EXHIBIT C TO PURCHASE AND SALE AGREEMENT

SUMMARY OF POOLS

(See Attached)

EXHIBIT D TO PURCHASE AND SALE AGREEMENT

TRANSFER INSTRUCTIONS

(See Attached)

EXHIBIT F TO PURCHASE AND SALE AGREEMENT

Form of Opinion of Counsel to the Seller

GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044-0963

Dear Sirs:

You have requested my opinion, as counsel to _____, (the "Seller"), a _____ corporation, with respect to certain matters in connection with the sale by the Seller pursuant to that certain Purchase and Sale Agreement, dated as of _____, 2002 (the "Purchase Agreement") between you and the Seller, of the Seller's servicing rights relating to certain residential mortgage loans serviced by the Seller for certain Investors pursuant to the Servicing Agreements, as defined in the Purchase Agreement. Capitalized terms not otherwise defined herein have their respective meanings set forth in the Purchase Agreement.

I have examined the following documents:

1. the Purchase Agreement;

2. the Related Agreements; and

3. such other documents, records and papers as I have deemed necessary and relevant as a basis for this opinion.

I have assumed that each party other than the Seller had the power and authority to enter into and perform all obligations thereunder and, as to each such party, I also have assumed the due authorization by all requisite corporate action, the due execution and delivery and the validity and binding effect and enforceability of such documents.

Based upon the foregoing, and subject to the qualification set forth at the end of this letter, it is my opinion that:

1. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the _____ of _____.

2. The Seller has the requisite power to engage in the transactions contemplated by the Purchase Agreement and the Related Agreements and all requisite power, authority and legal right to execute and deliver the Purchase Agreement and the Related Agreements and to perform and observe the terms and conditions of such instruments.

3. The Purchase Agreement and the Related Agreements have each been duly authorized, executed and delivered by the Seller and are the legal, valid and binding agreements enforceable in accordance with their respective terms against the Seller, subject to bankruptcy laws and other similar laws of general application affecting rights of creditors and subject to the application of the rules of equity, including those respecting the availability of specific performance.

4. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller of, or of compliance by the Seller with, the Purchase Agreement or the Related Agreements, or the consummation of the transactions contemplated by the Purchase Agreement or the Related Agreements.

5. Neither the consummation of the transactions contemplated by, nor the fulfillment of the terms of the Purchase Agreement or the Related Agreements conflicts or will conflict with or results or will result in a breach of or constitutes or will constitute a default under the charter or by-laws of the Seller, the terms of any material indenture or other material agreement or instrument to which the Seller is a party or by which it is bound or to which it is subject, or any statute or order, rule, regulation, writ, injunction or decree of any court, governmental authority or regulatory body to which the Seller is subject or by which it is bound.

6. There is no action, suit, proceeding or investigation pending or, to the best of my knowledge, threatened against the Seller which, in my judgment, either in any one instance or in the aggregate, may reasonably be expected to result in any material adverse change in the business, operations, financial condition, properties or assets of the Seller or in any material impairment of the right or ability of the Seller to carry on its business substantially as now conducted or in any material liability on the part of the Seller or which would draw into question the validity of the Purchase Agreement, the Related Agreements or of any action taken or to be taken in connection with the transactions contemplated thereby, or which would be likely to impair materially the ability of the Seller to perform under the terms of the Purchase Agreement or the Related Agreements.

The opinions rendered in paragraphs 4 and 5 above are subject to the need to obtain the consent of Investors to the transfer of the servicing subject to the Purchase Agreement.

In rendering this opinion letter, I do not express any opinion concerning any law other than the federal common law of the United States of America (excluding federal securities law) and the law of the ____ of _____. Additionally, I do not express any opinion on any issue not expressly addressed above.

I bring to your attention the fact that my legal opinions are an expression of professional judgment and are not a guarantee of a result.

I do not undertake to advise you of matters which may come to my attention subsequent to the date hereof which may affect my legal opinions expressed herein.

This opinion is delivered to you solely for your use in connection with the execution and delivery of the Purchase and Sale Agreement. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose, or to or by any other person, with or without reference to my name, without my prior express written consent.

Very truly yours,

EXHIBIT G TO PURCHASE AND SALE AGREEMENT

FORM OF SELLER'S OFFICER'S CERTIFICATE

OFFICER'S CERTIFICATE

I, _____ hereby certify that I am the duly elected _____ of _____ (the "Seller"), a corporation organized and existing under the laws of the State of _____, and further as follows:

1. All of the representations and warranties of Seller contained in Articles III and IV of the Purchase and Sale Agreement (the "Agreement") dated as of May 31, 2002, between the Seller and GMAC Mortgage Corporation, were true and correct in all material respects as of the date of the Agreement and are true and correct in all material respects as of the date hereof.

2. Seller has performed all of its duties and has satisfied all the material conditions on its part to be performed or satisfied pursuant to the Agreement prior to the Sale Date to which this Officer's Certificate relates.

3. The resolutions of the board of directors of Seller on _____, 2002 with respect to the authorization and approval of the sale of the Servicing Rights pertaining to the Mortgage Loans have not been amended, modified, annulled or revoked, and are in full force and effect on the date hereof.

4. No proceedings looking toward merger, liquidation, dissolution or bankruptcy of Seller are pending or contemplated.

5. There are no actions, suits or proceedings pending (nor, to the best of my knowledge, are any actions, suits or proceedings threatened) against or affecting the Seller which if adversely determined, individually or in the aggregate, would adversely affect the Seller's obligations under the Agreement or under the Servicing Agreements referred to in the Agreement.

6. The Mortgage Loans and the Servicing Rights referred to in the Agreement are not subject to any security interest, pledge or hypothecation for the benefit of any entity, institution or person as of the Sale Date.

All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.

IN WITNESS WHEREOF, I have hereunto signed my name on behalf of the Seller.

Dated: _____, 2002

By: _____
Name:
Title:

I, _____, Secretary of _____, hereby certify that _____ is the duly elected, qualified and acting _____ of _____ and that the signature appearing above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: _____, 2002

By: _____
Name:
Title:

EXHIBIT H TO PURCHASE AND SALE AGREEMENT

RESOLUTION OF THE BOARD OF DIRECTORS OF _____

APPOINTMENT OF CERTAIN OFFICERS FOR PURPOSES OF EXECUTING CERTAIN DOCUMENTS

WHEREAS, _____(the "Company") desires to execute documents necessary to perfect the release of mortgage loans and the initiation of foreclosure actions (the "Releases" and "Foreclosures") regarding certain mortgage servicing rights sold by _____to GMAC Mortgage Corporation, and that these Releases and Foreclosures may be best and most efficiently accomplished by the appointment of certain officers of the Company with special power to execute the individual documents to be recorded on behalf of the Company.

NOW,THEREFORE, BE IT RESOLVED, that the persons named on Exhibit A attached hereto be, and each of them hereby are appointed as officers of the Company to be effective as of the first day of June, 2002 and terminating upon GMAC Mortgage Corporation's receipt of the last recorded assignment, as indicated below with full power to execute on behalf of the Company, by actual or facsimile signature, all documents in connection with the Releases and Foreclosures; and

FURTHER RESOLVED, that the Board is informed and aware that the persons named on Exhibit A attached hereto are employees of GMAC Mortgage Corporation, and that they may from time to time be named as officers by other corporations for purposes similar to that set forth in these resolutions; and

FURTHER RESOLVED, that the foregoing appointments and grants of power and authority are revocable upon completion of the project related to the Releases and Foreclosures; and the authority of the persons so appointed is specifically and strictly limited to the execution of the specific documents referred to above for the purposes herein authorized; and

FURTHER RESOLVED, that the foregoing appointments and grants of power and authority shall not be deemed to (i) entitle any of the persons so appointed to receive any compensation or other benefits from the Company or any of its affiliates or (ii) create any employer-employee relationship between the Company or any of its affiliates and any such persons; and

FURTHER RESOLVED, that the Secretary and each Assistant Secretary (other than any Assistant Secretary appointed by these resolutions) of the Company are hereby authorized and directed from time to time to certify copies of these resolution, the incumbency of the officers appointed pursuant to these resolutions, and the actual facsimile signatures of said officers.

CERTIFICATE OF RESOLUTION

I, THE UNDERSIGNED, Secretary of _____, a _____, having its principal place of business in _____, ___, hereby certify that the attached is a true copy of a certain resolution duly adopted by the Board of Directors of the Seller in accordance with its Bylaws at, and recorded in the minutes of, a meeting of the Board duly held on _____, 2002 as taken from the minutes of the meeting and compared by me with the original of the resolution recorded in the minutes. I further certify that the resolution is in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I set my hand and caused the seal of _____ to be affixed hereto on this _____day of _____, 2002.

_____
Name, title

Subscribed and sworn to before me this _____day of _____, 2002

_____
Notary Public

My commission expires:

Exhibit A

Name	Title to Which Appointed
(b) (7)(C) [redacted]	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Secretary
	Assistant Secretary

BRASHEAR & ASSOCIATES, P.L.
Counselors At Law

926 N.W. 13th Street
Gainesville, FL 32601-4140
voice (b) (7)(C)
fax: 352/336-0505
(b) (7)(C)
www.NFlaLaw.com

(b) (7)(C)

June 12, 2002

GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044-0963

Dear Sirs:

You have requested my opinion, as counsel to Taylor, Bean & Whitaker Mortgage Corp. (the "Seller"), a Florida corporation, with respect to certain matters in connection with the sale by the Seller pursuant to that certain Purchase and Sale Agreement, dated as of May 31, 2002 (the "Purchase Agreement") between you and the Seller, of the Seller's servicing rights relating to certain residential mortgage loans serviced by the Seller for certain Investors pursuant to the Servicing Agreements, as defined in the Purchase Agreement. Capitalized terms not otherwise defined herein have their respective meanings set forth in the Purchase Agreement.

I have examined the following documents:

1. the Purchase Agreement;

2. the Related Agreements; and

3. such other documents, records and papers as I have deemed necessary and relevant as a basis for this opinion.

I have assumed that each party other than the Seller had the power and authority to enter into and perform all obligations thereunder and, as to each such party, I also have assumed the due authorization by all requisite corporate action, the due execution and delivery and the validity and binding effect and enforceability of such documents.

Based upon the foregoing, and subject to the qualification set forth at the end of this letter, it is my opinion that:

1. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida.

2. The Seller has the requisite power to engage in the transactions contemplated by the Purchase Agreement and the Related Agreements and all requisite power, authority and legal right to execute and deliver the Purchase Agreement and the Related Agreements and to perform and observe the terms and conditions of such instruments.

3. The Purchase Agreement and the Related Agreements have each been duly authorized, executed and delivered by the Seller and are the legal, valid and binding agreements enforceable in accordance with their respective terms against the Seller, subject to bankruptcy laws and other similar laws of general application affecting rights of creditors and subject to the application of the rules of equity, including those respecting the availability of specific performance.

4. To the best of my knowledge, no consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller of, or of compliance by the Seller with, the Purchase Agreement or the Related Agreements, or the consummation of the transactions contemplated by the Purchase Agreement or the Related Agreements.

5. Neither the consummation of the transactions contemplated by, nor the fulfillment of the terms of the Purchase Agreement or the Related Agreements conflicts or will conflict with or results or will result in a breach of or constitutes or will constitute a default under the charter or by-laws of the Seller, the terms of any material indenture or other material agreement or instrument to which the Seller is a party or by which it is bound or to which it is subject, or to the best of my knowledge, any statute or order, rule, regulation, writ, injunction or decree of any court, governmental authority or regulatory body to which the Seller is subject or by which it is bound.

6. There is no action, suit, proceeding or investigation pending or, to the best of my knowledge, threatened against the Seller which, in my judgment, either in any one instance or in the aggregate, may reasonably be expected to result in any material adverse change in the business, operations, financial condition, properties or assets of the Seller or in any material impairment of the right or ability of the Seller to carry on its business substantially as now conducted or in any material liability on the part of the Seller or which would draw into question the validity of the Purchase Agreement, the Related Agreements or of any action taken or to be taken in connection with the transactions contemplated thereby, or which would be likely to impair materially the ability of the Seller to perform under the terms of the Purchase Agreement or the Related Agreements.

The opinions rendered in paragraphs 4 and 5 above are subject to the need to obtain the consent of Investors to the transfer of the servicing subject to the Purchase Agreement.

In rendering this opinion letter, I do not express any opinion concerning any law other than the federal common law of the United States of America (excluding federal securities law) and the law of the State of Florida. Additionally, I do not express any opinion on any issue not expressly addressed above.

I bring to your attention the fact that my legal opinions are an expression of professional judgment and are not a guarantee of a result.

I do not undertake to advise you of matters which may come to my attention subsequent to the date hereof which may affect my legal opinions expressed herein.

This opinion is delivered to you solely for your use in connection with the execution and delivery of the Purchase and Sale Agreement. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose, or to or by any other person, with or without reference to my name, without my prior express written consent.

Sincerely,

BRASHEAR & ASSOCIATES, P.L.

By: (b) (7)(C)

OFFICER'S CERTIFICATE

I, (b) (7)(C) hereby certify that I am the duly elected President of **TAYLOR, BEAN & WHITAKER MORTGAGE CORP.** (the "Seller"), a corporation organized and existing under the laws of the State of Florida, and further as follows:

1. All of the representations and warranties of Seller contained in Articles III and IV of the Purchase and Sale Agreement (the "Agreement") dated as of May 31, 2002, between the Seller and GMAC Mortgage Corporation, were true and correct in all material respects as of the date of the Agreement and are true and correct in all material respects as of the date hereof.

2. Seller has performed all of its duties and has satisfied all the material conditions on its part to be performed or satisfied pursuant to the Agreement prior to the Sale Date to which this Officer's Certificate relates.

3. The resolutions of the board of directors of Seller on May 31, 2002 with respect to the authorization and approval of the sale of the Servicing Rights pertaining to the Mortgage Loans have not been amended, modified, annulled or revoked, and are in full force and effect on the date hereof.

4. No proceedings looking toward merger, liquidation, dissolution or bankruptcy of Seller are pending or contemplated.

5. There are no actions, suits or proceedings pending (nor, to the best of my knowledge, are any actions, suits or proceedings threatened) against or affecting the Seller which if adversely determined, individually or in the aggregate, would adversely affect the Seller's obligations under the Agreement or under the Servicing Agreements referred to in the Agreement.

6. The Mortgage Loans and the Servicing Rights referred to in the Agreement are not subject to any security interest, pledge or hypothecation for the benefit of any entity, institution or person as of the Sale Date.

All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.

IN WITNESS WHEREOF, I have hereunto signed my name on behalf of the Seller.

Dated: June 12, 2002

By: /s/
(b) (7)(C)
President

I, LEE B. FARKAS, Secretary of TAYLOR, BEAN & WHITAKER MORTGAGE CORP., hereby certify that (b) (7)(C) is the duly elected, qualified and acting President of TAYLOR, BEAN & WHITAKER MORTGAGE CORP, and that the signature appearing above is her genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: June 12, 2002

By: /s/
LEE B. FARKAS
CEO, Secretary, Treasurer

OFFICER'S CERTIFICATE

I, [redacted]ereby certify that I am the duly elected President of [redacted]e "Seller"), a corporation organized and existing under the laws of the State of Florida, and further as follows:

1. All of the representations and warranties of Seller contained in Articles III and IV of the Purchase and Sale Agreement (the "Agreement") dated as of May 31, 2002, between the Seller and GMAC Mortgage Corporation, were true and correct in all material respects as of the date of the Agreement and are true and correct in all material respects as of the date hereof.

2. Seller has performed all of its duties and has satisfied all the material conditions on its part to be performed or satisfied pursuant to the Agreement prior to the Sale Date to which this Officer's Certificate relates.

3. The resolutions of the board of directors of Seller on May 31, 2002 with respect to the authorization and approval of the sale of the Servicing Rights pertaining to the Mortgage Loans have not been amended, modified, annulled or revoked, and are in full force and effect on the date hereof.

4. No proceedings looking toward merger, liquidation, dissolution or bankruptcy of Seller are pending or contemplated.

5. There are no actions, suits or proceedings pending (nor, to the best of my knowledge, are any actions, suits or proceedings threatened) against or affecting the Seller which if adversely determined, individually or in the aggregate, would adversely affect the Seller's obligations under the Agreement or under the Servicing Agreements referred to in the Agreement.

6. The Mortgage Loans and the Servicing Rights referred to in the Agreement are not subject to any security interest, pledge or hypothecation for the benefit of any entity, institution or person as of the Sale Date.

All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.

[redacted]have hereunto signed my name on behalf of the Seller.

Dated: June 12, 2002

By: [redacted]
President

I, LEE B. FARKAS, Secretary of TAYLOR, BEAN & WHITAKER MORTGAGE CORP., hereby certify that [redacted] is the duly elected, qualified and acting President of TAYLOR, BEAN & WHITAKER MORTGAGE CORP, and that the signature appearing above is her genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: June 12, 2002

By: _____
[redacted] LEE B. FARKAS
CEO, Secretary, Treasurer

RESOLUTION OF THE BOARD OF DIRECTORS
OF
TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

APPOINTMENT OF CERTAIN OFFICERS FOR PURPOSES
OF EXECUTING CERTAIN DOCUMENTS

WHEREAS, TAYLOR, BEAN & WHITAKER MORTGAGE CORP. (the "Company") desires to execute documents necessary to perfect the release of mortgage loans and the initiation of foreclosure actions (the "Releases" and "Foreclosures") regarding certain mortgage servicing rights sold by TAYLOR, BEAN & WHITAKER MORTGAGE CORP. to GMAC Mortgage Corporation, and that these Releases and Foreclosures may be best and most efficiently accomplished by the appointment of certain officers of the Company with special power to execute the individual documents to be recorded on behalf of the Company.

NOW,THEREFORE, BE IT RESOLVED, that the persons named on Exhibit A attached hereto be, and each of them hereby are appointed as officers of the Company to be effective as of the first day of June, 2002 and terminating upon GMAC Mortgage Corporation's receipt of the last recorded assignment, as indicated below with full power to execute on behalf of the Company, by actual or facsimile signature, all documents in connection with the Releases and Foreclosures; and

FURTHER RESOLVED, that the Board is informed and aware that the persons named on Exhibit A attached hereto are employees of GMAC Mortgage Corporation, and that they may from time to time be named as officers by other corporations for purposes similar to that set forth in these resolutions; and

FURTHER RESOLVED, that the foregoing appointments and grants of power and authority are revocable upon completion of the project related to the Releases and Foreclosures; and the authority of the persons so appointed is specifically and strictly limited to the execution of the specific documents referred to above for the purposes herein authorized; and

FURTHER RESOLVED, that the foregoing appointments and grants of power and authority shall not be deemed to (i) entitle any of the persons so appointed to receive any compensation or other benefits from the Company or any of its affiliates or (ii) create any employer-employee relationship between the Company or any of its affiliates and any such persons; and

FURTHER RESOLVED, that the Secretary and each Assistant Secretary (other than any Assistant Secretary appointed by these resolutions) of the Company are hereby authorized and directed from time to time to certify copies of these resolution, the incumbency of the officers appointed pursuant to these resolutions, and the actual facsimile signatures of said officers.

CERTIFICATE OF RESOLUTION

I, THE UNDERSIGNED, Secretary of TAYLOR, BEAN & WHITAKER MORTGAGE CORP., a Florida corporation having its principal place of business in Ocala, Florida, hereby certify that the attached is a true copy of a certain resolution duly adopted by the Board of Directors of the Seller in accordance with its Bylaws at, and recorded in the minutes of, a meeting of the Board duly held on May 31, 2002 as taken from the minutes of the meeting and compared by me with the original of the resolution recorded in the minutes. I further certify that the resolution is in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I set my hand and caused the seal of TAYLOR, BEAN & WHITAKER MORTGAGE CORP. to be affixed hereto on this 12 day of June, 2002.

LEE B. FARKAS, Chief Executive Officer
Secretary, Treasurer

Subscribed and sworn to before me this 12 day of June, 2002

(b) (7)(C)

Notary Public
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA
OFFICIAL NOTARY SEAL
(b) (7)(C)
MY COMMISSION EXPIRES JUNE 27-2005

Exhibit A

Name	Title to Which Appointed
(b) (7)(C) [redacted]	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Vice President
	Assistant Secretary
	Assistant Secretary

COPY

WRITTEN ACTION OF THE BOARD OF DIRECTORS

OF TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

The following actions were taken by the Board of Directors of Taylor, Bean & Whitaker Mortgage Corp. (the "Corporation") pursuant to Florida Statutes, without holding a meeting thereon, each of the undersigned waiving notice of a meeting regarding such action.

RESOLVED, that the Corporation enter into that certain Purchase and Sale Agreement dated as of My 31, 2002, and related documents with GMAC MortgaGe Corporation in the form attached hereto as Exhibit A.

FURTHER RESOLVED, that the officers of the Corporation are hereby authorized and directed to execute all documents and do all actions contemplated in the Purchase And Sale Agreement or which are necessary to effectuate the foregoing resolutions, and that all actions previously taken which are consistent herewith are hereby ratified and confirmed.

WAIVER AND CONSENT

The undersigned being all of the Directors of Taylor, Bean & Whitaker Mortgage Corp., a corporation organized and existing under the laws of the State of Florida, do hereby waive all notice provided by the laws of the State of Florida, or by the Articles of Incorporation or the By-Laws of this corporation, of the time, place and purpose of a special meeting of the Board of Directors of said corporation for the purpose of adopting the above resolutions.

Effective: May 31, 2002

(b) (7)(C)

K. FARKAS

TBW/GMAC/WA

June 10, 2002

Lowe, Fell & Skogg, LLC
370 17th Street, Suite 4900
Denver, Colorado 80202
Attention: (b) (7)(C), Esq.

RE: Escrow Instructions

Dear (b) (7)(C)

On June 10, 2002, Taylor, Bean & Whitaker Mortgage Corporation ("TBW"), Colonial Bank, GMAC Residential Funding Corporation, Fannie Mae and GMAC Mortgage Company ("GMACM") executed that certain Funds Disbursement Agreement (the "Agreement") pursuant to which the parties agreed upon the manner in which funds obtained from the sale by TBW to GMACM of certain rights to service a Fannie Mae-owned loan portfolio (the "FNMA Servicing"), as more fully described in that certain Purchase and Sale Agreement, dated as of May 31, 2002, between TBW and GMACM, would be disbursed. Under Section 4 of the Agreement, Colonial Bank and GMAC Residential Funding Corporation (collectively, the "Secured Party") agreed to execute and deliver to Lowe, Fell & Skogg, LLC, as escrow agent (the "Escrow Agent"), partial releases of all UCC financing statements evidencing any lien, security interest or other claim on the FNMA Servicing (collectively, the "Releases").

Enclosed herewith are all of the Releases, as specifically identified on Exhibit A attached hereto. Please accept this letter as the Secured Party's instructions to Escrow Agent authorizing and directing Escrow Agent to deliver to GMACM the Releases upon receipt by the Escrow Agent of written notice from GMACM that it has disbursed the Initial Installment (as defined in the Agreement) in accordance with the terms of the Agreement. The Secured Party acknowledges and agrees that Escrow Agent's obligations shall be subject to the Terms and Conditions attached hereto as Exhibit B.

Sincerely,

COLONIAL BANK

By: Catherine L. Kissick
Name: Catherine L. Kissick
Title: Senior Vice President

GMAC RESIDENTIAL FUNDING CORPORATION

By: _____
Name: _____
Title: _____

June 10, 2002

Lowe, Fell & Skogg, LLC
370 17th Street, Suite 4900
Denver, Colorado 80202
Attention: (b) (7)(C), Esq.

RE: Escrow Instructions

Dear (b) (7)(C):

On June 10, 2002, Taylor, Bean & Whitaker Mortgage Corporation, Colonial Bank, Residential Funding Corporation, Fannie Mae and GMAC Mortgage Company ("GMAC") executed that certain Funds Disbursement Agreement (the "Agreement") pursuant to which the parties agreed upon the manner in which funds obtained from the sale of certain rights to service a Fannie Mae-owned loan portfolio would be disbursed. Under Section 4 of the Agreement, Colonial Bank and GMAC Residential Funding Corporation (the "Secured Party") agreed to execute and deliver to Lowe, Fell & Skogg, LLC, as escrow agent (the "Escrow Agent"), terminations or releases of all UCC financing statements evidencing any lien, security interest or other claim on certain servicing rights or the loans related thereto (collectively, the "Releases").

Enclosed herewith are all of the Releases, as specifically identified on Exhibit A attached hereto. Please accept this letter as the Secured Party's instructions to Escrow Agent authorizing and directing Escrow Agent to deliver to GMAC the Releases upon receipt by the Escrow Agent of written notice from GMAC that it has disbursed the Initial Installment (as defined in the Agreement) in accordance with the terms of the Agreement. The Secured Party acknowledges and agrees that Escrow Agent's obligations shall be subject to the Terms and Conditions attached hereto as Exhibit B.

Sincerely,

COLONIAL BANK

By: _____
Name: _____
Title: _____

RESIDENTIAL FUNDING CORPORATION

By: (b) (7)(C)
Name:
Title:

EXHIBIT A

UCC FINANCING STATEMENTS

STATE	UCC Number	Serviced Party
Florida	990000247010	Colonial Bank
Florida	200000081710	Colonial Bank
Florida	200100192313	Colonial Bank
Florida	200200166210	Colonial Bank
Florida	20020046212X	Residential Funding Corporation
Florida	99096243	Colonial Bank

EXHIBIT B

TERMS AND CONDITIONS

COLONIAL BANK and RESIDENTIAL FUNDING CORPORATION (together, the "Secured Party") and LOWE, FELL & SKOGG, LLC (the "Escrow Agent") hereby agree that the following Terms and Conditions apply to the Escrow Agent's service as Escrow Agent under that certain Funds Disbursement Agreement dated June 10, 2002 (the "Agreement"). Capitalized terms used herein shall have the meanings given such terms in the Agreement.

1. Disagreement Between the Parties. In the event of any disagreement between the parties to the Agreement resulting in conflicting instructions to, or adverse claims or demands upon the Escrow Agent with respect to, the delivery of the Releases, the Escrow Agent may refuse to comply with any such instructions, claim or demand so long as such disagreement shall continue, and in so refusing the Escrow Agent shall not deliver the Releases. The Escrow Agent shall not be or become liable in any way for its failure or refusal to comply with any such conflicting instructions or adverse claims or demands, and it shall be entitled to continue to refrain from acting until such conflicting instructions or adverse claims or demands (a) shall have been adjusted by agreement and it shall have been notified in writing thereof by the parties to the Agreement, or (b) shall have finally been determined in a court of competent jurisdiction.

2. Escrow Services. Upon delivering the Releases and performing any other services contemplated in the Agreement, Escrow Agent will thereupon be released and acquitted from any further liabilities concerning the Releases, it being expressly understood that such liability in any event is limited by the terms and conditions set forth herein. By acting as Escrow Agent, the Escrow Agent is in no way assuming responsibility for the validity or authenticity of the subject matter of the Releases.

3. Waiver. The Secured Party acknowledges that Escrow Agent represents GMAC in connection with the transaction described in the Agreement, and has, from time to time, otherwise served as counsel to GMAC and/or its affiliates in conjunction with related transactions. The Secured Party hereby waives any conflict of interest as may arise upon Escrow Agent's service as Escrow Agent under the Agreement. It is expressly agreed that Escrow Agent's service under the Agreement shall not disqualify Escrow Agent from any present or future representation of GMAC or any of its affiliates. The Secured Party furthermore acknowledges and agrees that no relationship between Escrow Agent and GMAC or its affiliates is created by the Escrow Agent's service as Escrow Agent under the Agreement except as is expressly set forth in the Agreement and in these Terms and Conditions.

4. Liability of the Escrow Agent. The duties of the Escrow Agent hereunder are only such as are provided in the Agreement or specifically provided herein, being purely administrative in nature, and the Escrow Agent shall incur no liability whatsoever except for fraudulent conduct. Other than the obligations of the Escrow Agent set forth in the Agreement or in these Terms and Conditions, the Escrow Agent shall have no other obligations, rights or duties with reference to the Agreement or these Terms and Conditions. The Escrow Agent shall not be bound by any modification of the Agreement or these Terms and Conditions unless in writing and signed by the Secured Party and GMAC. Escrow Agent is authorized to comply with an order, judgment or decree of a court of proper jurisdiction and shall not be liable to any party hereto on account of such compliance.

5. Litigation. In the event that (i) Escrow Agent becomes involved in or is threatened with litigation for any reason resulting from its capacity as Escrow Agent, and/or (ii) Escrow Agent is uncertain as to its duties or obligations hereunder under the terms and conditions hereof, Escrow Agent is hereby authorized to file an action seeking declaratory relief with the court having proper jurisdiction

er the Agreement and to notify Secured Party of the same. Thereupon, the Escrow Agent shall stand lly relieved and discharged of any further duties hereunder in respect of such action and the matters ving rise thereto except as may be instructed by said court.

EXHIBIT A

UCC FINANCING STATEMENTS

STATE	UCC Number	Serviced Party
Florida	990000247010	Colonial Bank
Florida	200000081710	Colonial Bank
Florida	200100192313	Colonial Bank
Florida	200200166210	Colonial Bank
Florida	20020046212X	Residential Funding Corporation
Florida	99096243	Colonial Bank

EXHIBIT B

TERMS AND CONDITIONS

COLONIAL BANK and GMAC RESIDENTIAL FUNDING CORPORATION (together, the "Secured Party") and LOWE, FELL & SKOGG, LLC (the "Escrow Agent") hereby agree that the following Terms and Conditions apply to the Escrow Agent's service as Escrow Agent under that certain Funds Disbursement Agreement dated _____, 2002 (the "Agreement"). Capitalized terms used herein shall have the meanings given such terms in the Agreement.

1. Disagreement Between the Parties. In the event of any disagreement between the parties to the Agreement resulting in conflicting instructions to, or adverse claims or demands upon the Escrow Agent with respect to, the delivery of the Releases, the Escrow Agent may refuse to comply with any such instructions, claim or demand so long as such disagreement shall continue, and in so refusing the Escrow Agent shall not deliver the Releases. The Escrow Agent shall not be or become liable in any way for its failure or refusal to comply with any such conflicting instructions or adverse claims or demands, and it shall be entitled to continue to refrain from acting until such conflicting instructions or adverse claims or demands (a) shall have been adjusted by agreement and it shall have been notified in writing thereof by the parties to the Agreement, or (b) shall have finally been determined in a court of competent jurisdiction.

2. Escrow Services. Upon delivering the Releases and performing any other services contemplated in the Agreement, Escrow Agent will thereupon be released and acquitted from any further liabilities concerning the Releases, it being expressly understood that such liability in any event is limited by the terms and conditions set forth herein. By acting as Escrow Agent, the Escrow Agent is in no way assuming responsibility for the validity or authenticity of the subject matter of the Releases.

3. Waiver. The Secured Party acknowledges that Escrow Agent represents GMAC in connection with the transaction described in the Agreement, and has, from time to time, otherwise served as counsel to GMAC and/or its affiliates in conjunction with related transactions. The Secured Party hereby waives any conflict of interest as may arise upon Escrow Agent's service as Escrow Agent under the Agreement. It is expressly agreed that Escrow Agent's service under the Agreement shall not disqualify Escrow Agent from any present or future representation of GMAC or any of its affiliates. The Secured Party furthermore acknowledges and agrees that no relationship between Escrow Agent and GMAC or its affiliates is created by the Escrow Agent's service as Escrow Agent under the Agreement except as is expressly set forth in the Agreement and in these Terms and Conditions.

4. Liability of the Escrow Agent. The duties of the Escrow Agent hereunder are only such as are provided in the Agreement or specifically provided herein, being purely administrative in nature, and the Escrow Agent shall incur no liability whatsoever except for fraudulent conduct. Other than the obligations of the Escrow Agent set forth in the Agreement or in these Terms and Conditions, the Escrow Agent shall have no other obligations, rights or duties with reference to the Agreement or these Terms and Conditions. The Escrow Agent shall not be bound by any modification of the Agreement or these Terms and Conditions unless in writing and signed by the Secured Party and GMAC. Escrow Agent is authorized to comply with an order, judgment or decree of a court of proper jurisdiction and shall not be liable to any party hereto on account of such compliance.

5. Litigation. In the event that (i) Escrow Agent becomes involved in or is threatened with litigation for any reason resulting from its capacity as Escrow Agent, and/or (ii) Escrow Agent is uncertain as to its duties or obligations hereunder under the terms and conditions hereof, Escrow Agent is hereby authorized to file an action seeking declaratory relief with the court having proper jurisdiction

over the Agreement and to notify Secured Party of the same. Thereupon, the Escrow Agent shall stand fully relieved and discharged of any further duties hereunder in respect of such action and the matters giving rise thereto except as may be instructed by said court.

AGREEMENT

June 12, 2002

GMAC Mortgage Company

Attention:

Taylor, Bean & Whitaker Mortgage Corp.

Attention: Ray Bowman, President

Re: Purchase and Sale Agreement between Taylor Bean & Whitaker Mortgage Corp. ("TBW") and GMAC Mortgage Company ("GMACM") dated May 31, 2002 (the "Purchase and Sale Agreement")/Second Amended and Restated Mortgage Warehouse Loan and Security Agreement dated as of January 15, 2002, among TBW, as Borrower, the Lenders party thereto, and Colonial Bank as Agent, and JPMorgan Chase Bank and Residential Funding Corporation as Co-Syndication Agents (as amended from time to time, the "Loan Agreement")

Dear Ray:

In connection with the Purchase Agreement, pursuant to which TBW is transferring to GMACM the right to service a Fannie Mae-owned loan portfolio, with the sale to be effective as of May 31, 2002, GMACM requires that TBW repurchase from GMACM the mortgage loans listed on Schedule I hereto ("GMACM Repurchased Loans") in accordance with the terms of that certain Purchase and Sale Agreement dated as of May 31, 2002 by and between GMACM and TBW (the "Prior Purchase Agreement"). As a condition to the payment of not less than sixty percent of the estimated purchase price as the initial payment under the Purchase Agreement on June 10, 2002, GMACM requires that (i) Residential Funding Corporation ("RFC") and Colonial Bank ("Colonial Bank") agree that, effective July 3, 2002, they, as the only Lenders under the Loan Agreement at that time, will make available to TBW a new subfacility under the Warehousing Facility (as such term and other capitalized terms used herein and not otherwise defined herein are defined in the Loan Agreement) in the amount of up to $12,600,000 (the "Limited Repurchased Loan Subfacility") and (ii) TBW enter into such amendments to the Loan Agreement as the Lenders may require to provide for the Limited Repurchased Loan Subfacility (the "Amendment Documentation").

Colonial, RFC and TBW agree to amend the Loan Agreement as specified on Schedule II hereto (the "Amendment Term Sheet"), which Term Sheet is part of this commitment letter by no later than July 3, 2002; provided, that, in the event that GMACM and the Lenders agree to any modification of the Term Sheet or the terms of Loan Agreement that pertain to the Limited Repurchased Loan Subfacility, including any termination of the same, any such modification may be made without the consent of or prior notice to TBW and; provided further, in the event that TBW is a debtor in a case or proceeding under federal Bankruptcy Code, in lieu of making loans to TBW, the Lenders will elect to purchase the GMACM Repurchased Loans.

In the event that the Lenders repurchase the GMACM Repurchased Loans as a result of TBW being a debtor in a case or proceeding under the federal Bankruptcy Code, the purchase price of the GMACM Repurchased Loans shall be the Repurchase Price (as defined in the Prior Purchase Agreement) for such mortgage loans. In such case, the Lenders shall assume servicing responsibilities or provide for transfer of servicing with respect to such GMACM Repurchased Loans to a fully qualified and approved servicer in accordance with the terms of the Prior Purchase Agreement. In the event of repurchase, GMACM shall, upon receipt of the Repurchase Price, assign and deliver the related Mortgage Loan Documents (as defined in the Prior Purchase Agreement) to the Lenders.

Guaranty

If neither TBW nor the Lenders have repurchased the GMACM Repurchased Loans, the Lenders shall unconditionally indemnify, protect, defend and hold GMACM harmless from and against all losses, damages, deficiencies, claims, liabilities, judgments, verdicts, causes of action, costs or expenses of any nature (including reasonable attorneys' fees and expenses) arising as a result of such failure including, without limitation, all Liquidation Losses. "Liquidation Losses" shall mean the difference between the Repurchase Price for, and the price (less all usual and customary costs of sale) actually received by GMACM upon sale or transfer of, the GMACM Repurchased Loans. This indemnity shall be unconditional and shall not be affected by, among other things, TBW's failure to satisfy any of the conditions in the Amendment Term Sheet, TBW's failure to enter into the Amendment Documentation, or TBW's breach of the Loan Agreement or any documents evidencing or securing the Warehousing Facility. GMACM shall have the right of setoff and/or recoupment against the Deferred Funds (as defined in the Purchase Agreement) with respect to any amounts owed by the Lenders to GMACM hereunder.

GMACM shall be an intended third-party beneficiary of this Agreement, the Lenders and TBW acknowledging and agreeing that, but for the execution and delivery to GMACM of this Agreement, the initial purchase price payment under the Purchase Agreement would have been less than sixty percent (60%) of the purchase price. The court shall award to GMACM all costs and expenses of enforcing the terms of this Agreement, including, without limitation, reasonable attorneys' fees. The Lenders shall be jointly and severally liable for performance of their obligations to GMACM hereunder.

The Amendment Documentation shall be prepared by counsel to Colonial or RFC and shall be satisfactory to Colonial and RFC. TBW shall be obligated for all reasonable costs and expenses incurred to satisfy all conditions precedent, including the fees set forth in the Term Sheet and reasonable attorneys' fees and expenses incurred by Colonial and RFC. Neither Colonial nor RFC shall be responsible or liable for consequential damages that may be alleged as a result of this commitment.

TBW agree to indemnify and hold harmless Colonial and RFC from all liabilities (including costs of settlement) arising out of or resulting from this Agreement or the transactions contemplated by this Agreement, other than liabilities resulting from the gross negligence or willful misconduct of Colonial or RFC, and to reimburse Colonial and RFC for any reasonable legal or other expenses incurred in connection with the defense or preparation of the defense of any such liability.

The provisions of the immediately preceding paragraphs, unless otherwise agreed by the Lenders and GMACM, shall survive any termination of the commitment made hereunder.

This Agreement will become effective upon your delivery to us of an executed acceptance of this Agreement.

This Agreement will be governed by and construed in accordance with the laws of the State of Florida (except for the terms of this Agreement governing purchase by the Lenders of the GMACM Repurchased Loans, which terms shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania) without regard to the principles of conflict of laws.

Very truly yours,

RESIDENTIAL FUNDING CORPORATION

By [redacted] (b) (7)(C)
Its [redacted]

COLONIAL BANK

By Catherine L Kusnick
Its Senior Vice President

#662148.RE 07301-0020 06/13/02 1:20 PM

Accepted and agreed to this
_____ day of _____, 2002

TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

By: _____
Its: CEO

Enclosure

Accepted and agreed to this
12 day of June, 2002

TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

By: _____
Its: CEO

Enclosure

SCHEDULE II
AMENDMENT TERM SHEET

AMENDMENTS:

Limited Repurchased Loans Subfacility:	An amount not to exceed $12,600,000, which may be used only for the repurchase of the GMACM Repurchased Loans.
Obligation to Lend under Subfacility:	Unless otherwise agreed by GMACM, RFC and Colonial Bank, the Lenders will irrevocably agree to make loans under the Limited Repurchased Loans Subfacility upon the request of TBW, including a certification that the loan proceeds will be used to purchase the GMACM Repurchased Loans, which obligation to lend shall be absolute and unconditional, except in the instance of a bankruptcy of TBW. GMACM may request loans on behalf of TBW for repurchase only after exhausting all relevant avenues under the Prior Purchase Agreement, to obtain repurchase funds from TBW (to the extent TBW does not cooperate or respond to GMACM with timelines prescribed within the Prior Purchase Agreement, this condition shall be waived, and upon providing to RFC the appropriate repurchase request documentation, as required by Colonial Bank, as Agent.
Applicable Interest Rate:	Prime rate of Colonial Bank plus 1% per annum.
Reporting:	In addition to the existing reporting requirements specified in Section 6.1(a) of the Loan Agreement, on or prior to closing of the amendment and each month thereafter, deliver to Colonial Bank, as Agent, a report listing all uninsured FHA mortgage loans warehoused with Colonial Bank under the Loan Agreement and the origination dates of such mortgage loans.
FHA Mortgage Loan Requirements:	(a) By September 10, 2002, TBW shall provide evidence satisfactory to Colonial Bank and RFC that 90% of all GMACM Repurchased Loans are insured. (b) 90% of all FHA Mortgage Loans warehoused with Colonial Bank by TBW, other than GMACM Repurchased Loans, shall be insured within 60 days of their dates of origination. (c) TBW shall provide to Colonial Bank, as Agent, the necessary authorization to permit Colonial Bank to gain access to the HUD website to check insurance for

FHA Mortgage Loans warehoused with Colonial Bank
by TBW under the Loan Agreement.

EARLIEST EFFECTIVE DATE: June 17, 2002

AMENDMENT FEE: _____

DOCUMENT PRODUCTION FEE: $_____ payable in advance of closing.

SunTrust Banks, Inc.
Mail Code O-1107
Post Office Box 3833
Orlando, FL 32802
Tel (407) 237-4492
Fax (407) 237-5368

SUNTRUST

June 12, 2002

(b) (7)(C)
GMAC Mortgage Corporation
3451 Hammond Avenue
Waterloo, IA 50702

Dear (b) (7)(C)

This letter will confirm that SunTrust Bank, as Agent, is aware of the proposed sale of servicing rights by Taylor, Bean & Whitaker Mortgage Corporation to GMAC Mortgage Corporation as contemplated by that certain Purchase and Sale Agreement by and between Taylor, Bean & Whitaker Mortgage Corporation and GMAC Mortgage Corporation dated as of May 31, 2002.

As secured party in UCC Financing Statements filed with the Secretary of State of Florida under the following file numbers and filing dates, SunTrust Bank holds no security interest in the servicing rights which are subject to the above referenced Purchase and Sale Agreement:

980000100618	Filed on 5/7/98
990000043676	Filed on 2/26/99
200000036518	Filed on 2/11/00
200000036519	Filed on 2/11/00

Sincerely,

SUNTRUST BANK, as Agent

By: (b) (7)(C)
Name
Title

GMAC Mortgage

Capital Markets

May 31, 2002

(b) (7)(C)
GMAC-RFC

Re: Taylor, Bean & Whitaker Mortgage Corporation, Inc.

Dear (b) (7)(C)

This will confirm the details of the agreement between GMAC Mortgage Corporation ("GMACM") and Residential Funding Corporation ("RFC") with respect to the acquisition by GMACM of approximately $1.76 billion in Fannie Mae servicing rights (the "Servicing") from Taylor, Bean & Whitaker Mortgage Corporation, Inc. ("TBW") and Fannie Mae. Pursuant to the bid letter dated April 23, 2002 (the "Bid Letter"), GMACM will proceed with its due diligence review of TBW and the Servicing, with the intention of entering into a definitive Purchase and Sale Agreement (the "Agreement") with TBW and Fannie Mae. The Agreement will provide that the purchase price payable for the Servicing will be paid to Fannie Mae.

In consideration of GMACM's willingness to proceed with its acquisition of the Servicing, RFC has agreed to the following:

1. As to RFC's warehouse lending relationship with TBW, RFC will not initiate the exercise of the Lenders' contractual remedies with respect to existing breaches by TBW of its obligations under the credit agreement between TBW and the Lenders party thereto, provided that GMACM acknowledges that the Lenders may, pursuant to the terms of the credit agreement, exercise their contractual remedies without the consent of RFC, and that the credit agreement will mature on September 30, 2002 unless it is extended.

2. RFC will enter into a written guaranty, in form and substance acceptable to GMACM, of TBW's performance of its contractual obligations under the Agreement, including without limitation, performance by RFC of TBW's obligations of indemnification and/or repurchase arising with respect to the related mortgage loans. GMACM will first attempt to collect any sums due directly from TBW in accordance with the terms of the Agreement. In the event that TBW fails to perform its contractual obligations in a timely fashion, GMACM will promptly provide RFC with written notice of such deficiency. RFC agrees to remit any funds due under this guarantee to GMACM within ten (10) business days following its receipt of such written notice.

GMACM acknowledges RFC's request to accelerate certain deferred payments of purchase price for the Servicing, as set forth in the Bid Letter. In consideration of RFC's willingness to agree to the provisions set forth in Sections 1 and 2 above, GMACM is willing to accelerate the payment schedule outlined in the Bid Letter to the following:

GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044

www.gmacmortgage.com

a) Sixty percent (60%) of the estimated Purchase Price shall be payable within five (5) Business Days after the Transfer Date and upon receipt of substantially all Complete Mortgage Loan Files and all Custodial files, and upon confirmation of receipt of Mortgage Loan escrow monies and related documentation.

b) An additional ten percent (10%) of the Purchase Price shall be payable within five (5) Business Days after Seller has paid all costs and performed its obligations under section six of the Bid Letter.

c) The balance of the Purchase Price shall be payable upon the later of (i) one hundred twenty days (120) days after the applicable Transfer Date, (ii) the date of Purchaser's receipt of the initial shipment of Mortgage Loan Files, (iii) receipt of all remaining Complete Mortgage Loan Files and documentation pertaining to the Mortgage Loans, and (iv) verification of Purchase Price calculation. Purchaser may withhold from such balance the amount of any outstanding advances made by Seller under the Servicing Contracts that Purchaser determines are not collectable, unless and until such advances are collected. Purchaser shall use its best efforts to accomplish (iv) in a timely manner which shall not exceed sixty (60) days.

d) In the event Purchaser has not received all remaining Complete Mortgage Loan Files and related documentation pertaining to the Mortgage Loans within one hundred twenty (120) days after the applicable Transfer Date, the remaining balance of the Purchase Price shall be released monthly to Seller commencing five (5) months following the applicable Transfer Date on a pro-rata basis, based on the Complete Mortgage Loan Files received by Purchaser during the previous month subject to a minimum retention of $500,000 by Purchaser pending receipt of all remaining Complete Mortgage Loan Files and documentation with respect to the applicable Transfer Date per Investor type. Seller will provide Purchaser with an exhibit of outstanding documents as of each Transfer Date. This exhibit, updated and provided to Purchaser monthly, will be the basis from which the monthly pro-rata release of Purchase Price to Seller will be determined, subject to Purchaser's confirmation.

e) Subject to receipt of written authorization from FNMA, in form and substance acceptable to GMACM, GMACM would agree to make payments of the Purchase Price directly to RFC. Absent such written authorization, all payments of the Purchase Price will be made directly to FNMA.

f) Should GMACM sell the Servicing purchased from TBW or any portion thereof for a purchase price (determined as a percentage of the outstanding principal balance of the Mortgage Loans underlying the Servicing or portion thereof sold) greater than the purchase price paid by GMACM to TBW for such Servicing (determined as a percentage of the outstanding principal balance of the same Mortgage Loans, as set forth in the bid letter), then GMACM shall pay to RFC an amount equal to ½ of the difference between the purchase price paid by GMAMC to TBW for the Servicing or such portion thereof and the purchase price received by GMACM upon such sale.

If the foregoing is consistent with your understanding of our agreement, please execute the enclosed copy of this letter on behalf of RFC and return it to my attention.

If you have any questions, please do not hesitate to call me at (215) 682-3534.

Very truly yours,

GMAC MORTGAGE CORPORATION

(b) (7)(C)

ACCEPTED AND AGREED TO:

RESIDENTIAL FUNDING CORPORATION

By: _____

Name: _____
Title: _____
Date: _____

If you have any questions, please do not hesitate to call me at (215) 682-3534.

Very truly yours,

GMAC MORTGAGE CORPORATION

(b) (7)(C)

ACCEPTED AND AGREED TO:

RESIDENTIAL FUNDING CORPORATION

By (b) (7)(C)

Na

Ti

Date: JUNE 3, 2002

FINAL

FUNDS DISBURSEMENT AGREEMENT

This Funds Disbursement Agreement, made and entered into as of the 12th day of June, 2002 (the "Effective Date"), by and among Taylor, Bean & Whitaker Mortgage Corporation ("TBW"), Colonial Bank, GMAC Residential Funding Corporation (collectively referred to as the "Secured Party"), Fannie Mae, and GMAC Mortgage Company ("GMAC").

WHEREAS, TBW and GMAC have entered into a Purchase and Sale Agreement (the "Purchase Agreement") relating to the right to service a Fannie Mae-owned loan portfolio ("Servicing Rights"), with the sale to be effective as of May 31, 2002;

WHEREAS, pursuant to the terms of an Acknowledgment Agreement by and among TBW, Colonial Bank, and Fannie Mae, dated August 27, 2001, the parties thereto have certain stated obligations to each other and, pursuant to the terms of a Letter Agreement by and between Fannie Mae and TBW, dated April 4, 2002, Fannie Mae and TBW have certain stated obligations to each other;

WHEREAS, Secured Party has requested that Fannie Mae allow sales proceeds from the Servicing Rights, after payment of all obligations due Fannie Mae, to be wired directly to GMAC Residential Funding Corporation;

WHEREAS, Fannie Mae is willing to agree to Secured Party's request to the extent set forth in this Agreement only if it is released from any further obligation to Secured Party and TBW, and this Agreement sets forth the terms and conditions upon which Fannie Mae will permit the release of funds directly to GMAC Residential Funding Corporation;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The parties hereto agree that the proceeds from the sale of the Servicing Rights shall be paid to the parties, and in the amounts, as set forth on the Exhibit A to be attached hereto. Exhibit A must be signed by all parties to this Agreement (facsimile signature permitted).

2. Fannie Mae's agreement to permit any portion of the proceeds from the sale of the Servicing Rights to be paid to any other recipient is conditioned upon (i) receipt in full of all sums due Fannie Mae, and (ii) GMAC's express assumption of all representations and warranties with respect to the loans subject to the Purchase Agreement, specifically including, and without limiting or altering any other warranty obligations or representations and warranties set forth in any other documents with Fannie Mae, all warranty obligations with respect to loans on which repurchase requests have been issued, warranty obligations related to FHA/VA loans that may not have required insurance coverage, and any pending fee adjustments and LASER reconciliation obligations related to the loan portfolio

being sold pursuant to the Purchase Agreement. GMAC hereby acknowledges these obligations and agrees, for the benefit of Fannie Mae, to assume these obligations and the representations and warranties related to the loan portfolio generally.

3. Fannie Mae has an obligation under the Acknowledgement Agreement to identify to the Secured Party the Net Sales Proceeds available after the Fannie Mae obligations have been satisfied and to remit any remaining proceeds to the Secured Party and /or TBW. Because of the modified payment provisions requested by the Secured Party as set forth herein, Secured Party and TBW hereby acknowledge and agree that Fannie Mae shall have no further obligation of any nature under the terms of the Acknowledgment Agreement, and TBW also acknowledges and agrees that Fannie Mae shall have no further obligation of any nature under the terms of the Letter Agreement dated April 4, 2002, to provide any accounting or to remit any funds to them. Secured Party and TBW further acknowledge and agree as follows:

(a) TBW hereby releases and discharges Fannie Mae, and all of its officers, directors, agents, employees, attorneys, successors and assigns (collectively the "Fannie Mae Releasees"), of and from, and does hereby irrevocably waive, any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which TBW ever had, now has or claims it might hereafter have or claim against any of the Fannie Mae Releasees, based upon or arising out of any matter or thing occurring, in whole or in part, on or before the Effective Date of this Agreement relating to the dealings of Fannie Mae with TBW or with the sale of the Servicing Rights, including, without limitation, Fannie Mae's actions or omissions related to the sale of the Servicing Rights, any obligation to account for the sales proceeds thereof, any obligation to remit any funds pursuant to the Acknowledgement Agreement or the Letter Agreement dated April 4, 2002, except for obligations of Fannie Mae to TBW in connection with the repurchase of loans and the calculation of payoff prices, fees, and appropriate crediting of payments made by TBW;

(b) Secured Party hereby releases and discharges Fannie Mae, and all of its officers, directors, agents, employees, attorneys, successors and assigns (collectively the "Fannie Mae Releasees"), of and from, and does hereby irrevocably waive, any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which Secured Party ever had, now have or claims it might hereafter have or claim against any of the Fannie Mae Releasees, based upon or arising out of any matter or thing occurring, in whole or in part, on or before the Effective Date of this Agreement relating to the dealings of Fannie Mae with TBW or with the sale of the Servicing Rights, including, without

limitation, Fannie Mae's actions or omissions related to the sale of the Servicing Rights, any obligation to account for the sales proceeds thereof, or any obligation to remit any funds pursuant to the Acknowledgement Agreement, except for obligations of Fannie Mae to Secured Party in connection with the repurchase of loans (e.g., delivery of notes, mortgages, related collateral, etc.), including without limitation, the obligations of Fannie Mae with regard to those specific loans identified on the attached Exhibit "B";

(c) TBW agrees to indemnify and hold the Fannie Mae Releasees harmless, of and from any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which now exist or may be brought by any third party, based upon or arising out of (i) any action or omission by Secured Party and TBW, occurring, in whole or in part, on or before the Effective Date hereof; or (ii) the terms and conditions of this Agreement, including, without limitation, Fannie Mae's actions or omissions related to the sale of the Servicing Rights, any obligation to account for the sales proceeds thereof, any obligation to remit any funds pursuant to the Acknowledgement Agreement or the Letter Agreement dated April 4, 2002, or any obligation or liability for any issues related to any lost, misplaced or missing notes or payments relating to transactions between Secured Party, TBW, and Fannie Mae; and

(d) Secured Party agrees to indemnify and hold the Fannie Mae Releasees harmless, of and from any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which now exist or may be brought by any third party, based upon or arising out of (i) any action or omission by Secured Party, occurring, in whole or in part, on or before the Effective Date hereof; or (ii) Fannie Mae's actions or omissions related to the sale of the Servicing Rights, any obligation to account for the sales proceeds thereof, or any obligation to remit any funds pursuant to the Acknowledgement Agreement, except to perform its obligations under the terms of this Funds Disbursement Agreement.

4. GMAC, as purchaser of the Servicing Rights, has required a representation and warranty that it shall acquire all rights as servicer free and clear of any and all claims, charges, defenses, offsets, and encumbrances of any nature whatsoever. Accordingly, TBW, Secured Party, and Fannie Mae hereby acknowledge and agree that, upon the sale of the Servicing Rights and disbursement of the first installment of the required purchase price (60%) (the "Initial Installment") by GMAC, as to be disbursed pursuant to the terms of this Agreement, they have, and shall retain, no lien or claim attaching to the Servicing Rights or the loans related thereto, except that Fannie Mae retains all rights that it has as the investor/owner of such loans. Concurrently with the execution hereof, Secured Party shall execute and deliver to Lowe, Fell & Skogg, LLC, Denver, Colorado

("Escrow Agent") terminations or releases (collectively, the "Releases") of all UCC financing statements evidencing any such lien, security interest or other claim, including those identified in Exhibit C attached hereto and incorporated herein by this reference. Concurrently with such delivery, Secured Party shall execute and deliver instructions in form reasonably satisfactory to Escrow Agent authorizing and directing Escrow Agent to deliver the Releases to GMAC upon written confirmation by GMAC to Escrow Agent that it has disbursed the Initial Installment in accordance with the terms of this letter. GMAC shall thereafter be authorized to file and record the Terminations in the appropriate records.

5. In reliance on the foregoing terms and conditions, Fannie Mae consents to the transfer of the Servicing Rights and to the wiring of the Initial Installment as set forth on the attached Exhibit A. Fannie Mae retains its right to receive any subsequent installments or disbursements of the required purchase price for the sale of the Servicing Rights, until it receives a full release of claims from TBW and Secured Party and is otherwise satisfied that there are no other unsatisfied obligations due it from TBW, at which time it will authorize future disbursements to GMAC Residential Funding Corporation.

6. Miscellaneous.

(a) This Agreement shall be construed according to and governed by the laws of the Commonwealth of Pennsylvania without regard to conflicts of law principles.

(b) If any provision of this Agreement is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Agreement will remain in full force and effect.

(c) No change or modification of this Agreement shall be valid unless the same is in writing and signed by all parties hereto.

(d) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

(e) This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart. The parties agree to accept and be bound by signatures sent by facsimile for the purpose of executing the purposes of this Agreement. However, all parties shall submit original signatures to this Agreement and the Exhibits "A" and "B" to the other parties within two (2) business days after the Effective Date hereof.

(f) THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

(g) Nothing contained in this Agreement shall modify or amend the Purchase Agreement in any respect other than as expressly herein set forth. Without limiting the generality of the foregoing, nothing contained in this Agreement shall modify or amend the obligations of TBW and Fannie Mae set forth in the Purchase Agreement or the conditions to GMAC's obligation to pay the purchase price thereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Taylor, Bean & Whitaker Mortgage Corporation

BY: _____ 6/12/02
Name: LEE B. FARKAS Date
Title: CEO

Colonial Bank

BY: _____
Name: Date _____
Title:

GMAC Residential Funding Corporation

BY: _____ _____
Name: Date
Title:

Fannie Mae

BY: _____ _____
Name: Date
Title:

GMAC Mortgage Company

BY: _____ _____
Name: Date
Title:

T&W Funds Disbursement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY: Catherine L. Kissick 6/10/02
Name: Catherine L. Kissick Date
Title: Senior Vice President

GMAC Residential Funding Corporation

BY:_____ _____
Name: Date
Title:

Fannie Mae

BY:_____ _____
Name: Date
Title:

GMAC Mortgage Company

BY:_____ _____
Name: Date
Title:

[illegible]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY:_____ _____
Name: Date
Title:

Residential Funding Corporation

BY: (b) (7)(C) 6/12/02
Name: Date
Title:

Fannie Mae

BY:_____ _____
Name: Date
Title:

GMAC Mortgage Company

BY:_____ _____
Name: Date
Title:

RFC- Funds Disbursement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY:_____ _____
Name: Date
Title:

GMAC Residential Funding Corporation

BY:_____ _____
Name: Date
Title:

Fann[redacted] (b) (7)(C)

BY:[redacted] 6/11/02
Name Date
Title:

GMAC Mortgage Company

BY:_____ _____
Name: Date
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY:_____ _____
Name: Date
Title:

GMAC Residential Funding Corporation

BY:_____ _____
Name: Date
Title:

Fannie [redacted] (b) (7)(C)

BY: [redacted] 6/11/02
Name: Date
Title:

GMAC Mortgage Company

BY: [redacted] (b) (7)(C) 6/12/02
Name: Date
Title:

Form of Exhibit "A" to Funds Disbursement Agreement
[must be approved by all parties]

June 12, 2002

GMAC Mortgage Corporation
ATTN: (b) (7)(C)

RE: Taylor Bean & Whitaker ("TBW") $1.77 Billion Fannie Mae Servicing Sale To GMAC Mortgage Corporation ("GMACM") Scheduled to Close on or about June 3, 2002 (the "Transaction")

Dear Wes:

This letter serves to document the payees and amounts to be disbursed from the purchase price (the "Gross Sales Proceeds") to be paid by GMACM to TBW in connection with the Transaction. This Transaction will be documented by a Purchase and Sale Agreement executed by GMACM and TBW and by a side letter executed by GMACM and GMAC/RFC, as Credit Agent for certain of TBW's lenders (the "Lenders"). This letter, when executed by all of the required parties, shall also be attached as Exhibit "A" to a Funds Disbursement Agreement by and among the parties.

The Initial Installment of the Gross Sales Proceeds shall be disbursed to the listed payees as follows:

1. All amounts due to Fannie Mae under its contract with TBW, to be wired to the following account:

   Amount: $1,000,000.00 ($1 million)
   ABA - 021039500
   Telegraphic - FNMA NYC
   BNF - Fannie Mae
   OBI - ATTN: (b) (7)(C) /ref TBW
   ORG - Originator's information

2. Payment of all approved fees to Brokers engaged by TBW to sell the servicing:

   a) All amounts due to Phoenix Capital, Inc under its contract with TBW, to be wired to the following account:

   Amount: $176,704.27
   Bank: 1st Bank of Colorado
   10403 W. Colfax
   Lakewood, CO 80215

ABA#: 107005047
Account: 4905012066
Benefit: Phoenix Capital, Inc.
Comments: To further credit 1st Bank of Cherry Creek

b) All amounts due to Griffin Capital, Partners, Inc. under its contract with TBW, to be wired to the following account:

Amount: $176,704.27
Bank: Wells Fargo Bank West, NA
Cherry Creek
105 Filmore Street
Denver, CO 80206
Routing#: 102000076
Account: 8893586944
Benefit: Griffin Capital Partners, Inc.

3. All remaining funds from the Initial Installment to the Credit Agent at the following account:

Amount: $14,784,334.81
Bank: Bank One, N. A.
ABA#: 071000013
Account Name: Taylor Bean & Whitaker
Account Number: 1097880 TAYB

All subsequent payments will go directly to the Fannie Mae until Fannie Mae has given notice that payments shall go to GMAC Residential Funding Corporation in accordance with Paragraph 5 of the Funds Disbursement Agreement.

If you have any questions concerning this matter, please do not hesitate to contact me at (301) 215-6209.

RESIDENTIAL FUNDING
CORPORATION

By:_____

Its:_____

Acknowledged and Agreed:

Taylor Bean & Whitaker:	GMAC Mortgage Corporation:	Colonial Bank:
By:_____	By:_____	By:_____

ABA#: 107005047
Account: 4905012066
Benefit: Phoenix Capital, Inc.
Comments: To further credit 1st Bank of Cherry Creek

b) All amounts due to Griffin Capital, Partners, Inc. under its contract with TBW, to be wired to the following account:

Amount: $176,704.27
Bank: Wells Fargo Bank West, NA
Cherry Creek
105 Filmore Street
Denver, CO 80206
Routing#: 102000076
Account: 8893586944
Benefit: Griffin Capital Partners, Inc.

3. All remaining funds from the Initial Installment to the Credit Agent at the following account:

Amount: $14,784,334.81
Bank: Bank One, N. A.
ABA#: 071000013
Account Name: Taylor Bean & Whitaker
Account Number: 1097880 TAYB

All subsequent payments will go directly to the Fannie Mae until Fannie Mae has given notice that payments shall go to GMAC Residential Funding Corporation in accordance with Paragraph 5 of the Funds Disbursement Agreement.

If you have any questions concerning this matter, please do not hesitate to contact me at (301) 215-6209.

RESIDENTIAL FUNDING
CORPORATION

By: (b) (7)(C)

Its:

Acknowledged and Agreed:

Taylor Bean & Whitaker: GMAC Mortgage Corporation: Colonial Bank:

By:_____ By:_____ By:_____

[illegible] Disbursement

Account: 4905012066
Benefit: Phoenix Capital, Inc.
Comments: To further credit 1st Bank of Cherry Creek

b) All amounts due to Griffin Capital, Partners, Inc. under its contract with TBW, to be wired to the following account:

Amount: $176,704.27
Bank: Wells Fargo Bank West, NA
Cherry Creek
105 Filmore Street
Denver, CO 80206
Routing#: 102000076
Account: 8893586944
Benefit: Griffin Capital Partners, Inc.

3. All remaining funds from the Initial Installment to the Credit Agent at the following account:

Amount: $14,784,334.81
Bank: Bank One, N. A.
ABA#: 071000013
Account Name: Taylor Bean & Whitaker
Account Number: 1097880 TAYB

All subsequent payments will go directly to the Fannie Mae until Fannie Mae has given notice that payments shall go to GMAC Residential Funding Corporation in accordance with Paragraph 5 of the Funds Disbursement Agreement.

If you have any questions concerning this matter, please do not hesitate to contact me at (301) 215-6209.

RESIDENTIAL FUNDING CORPORATION

By:_____

Its:_____

Acknowledged and Agreed:

Taylor Bean & Whitaker:	GMAC Mortgage Corporation:	Colonial Bank:
By:_____	By:_____	By: Catherine L. Kissick
Its:_____	Its:_____	Its: Senior Vice President

- Colonial - Funds Disbursement - Exh. 5 of A

ABA#: 107005047
Account: 4905012066
Benefit: Phoenix Capital, Inc.
Comments: To further credit 1st Bank of Cherry Creek

b) All amounts due to Griffin Capital, Partners, Inc. under its contract with TBW, to be wired to the following account:

Amount: $176,704.27
Bank: Wells Fargo Bank West, NA
Cherry Creek
105 Filmore Street
Denver, CO 80206
Routing#: 102000076
Account: 8893586944
Benefit: Griffin Capital Partners, Inc.

3. All remaining funds from the Initial Installment to the Credit Agent at the following account:

Amount: $14,784,334.81
Bank: Bank One, N. A.
ABA#: 071000013
Account Name: Taylor Bean & Whitaker
Account Number: 1097880 TAYB

All subsequent payments will go directly to the Fannie Mae until Fannie Mae has given notice that payments shall go to GMAC Residential Funding Corporation in accordance with Paragraph 5 of the Funds Disbursement Agreement.

If you have any questions concerning this matter, please do not hesitate to contact me at (301) 215-6209.

RESIDENTIAL FUNDING
CORPORATION

By:_____

Its:_____

Acknowledged and Agreed:

Taylor Bean & Whitaker: GMAC Mortgage Corporation: Colonial Bank:

By:_____ By: (b) (7)(C) By:_____

TBW- Funds Disbursement - Exhibit A

Its: C.E.O. Its: Vice President Its: _____

Fannie Mae

By: _____

Its: _____

TBW - Funds Disbursement - Exhibit A

Its: [redacted] Its: [redacted] Its: [redacted]

Fa[redacted]

By[redacted]

Its:[redacted]

(b) (7)(C)

EX "A" TO FUNDS DISBURSEMENT AGREEMENT / TBW

EXHIBIT "B" TO FUNDS DISBURSEMENT AGREEMENT

The release provisions set forth in Paragraphs 3 (a) and (b) also except out the following issues for resolution subsequent to the Effective Date:

1. Fannie Mae is currently holds approximately $250,000 in excess of known obligations of TBW to Fannie Mae and expects to receive an additional $1,000,000 from the Initial Installment. Fannie Mae will hold such funds for a period of sixty (60) days from the date of this agreement, or such longer period as may be necessary, to enable Fannie Mae to verify that all obligations of TBW to Fannie Mae have been identified and resolved. If there are any unapplied funds remaining due to TBW at the end of such period, such funds shall be remitted to TBW or Secured Party as to be agreed by TBW and Secured Party in writing.

2. TBW has repurchased 62 loans on which the notes, mortgage, or remaining collateral such as an unsold, foreclosed property, have not yet been transferred to TBW or to Secured Party. Fannie Mae acknowledges that the items as listed on the attached Schedule to Exhibit "B" are due to TBW or Secured Party and agrees to return such items (or, if a note is lost, it will provide a lost note affidavit) within thirty (30) days of the Effective Date of this agreement, to Secured Party or, if authorized by Secured Party, to TBW.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY: Catherine L. Kissick 6/10/02
Name: Catherine L. Kissick Date
Title: Senior Vice President

Colonial - Exhibit B to Funds Disbursement

EXHIBIT "B" TO FUNDS DISBURSEMENT AGREEMENT

The release provisions set forth in Paragraphs 3 (a) and (b) also except out the following issues for resolution subsequent to the Effective Date:

1. Fannie Mae is currently holds approximately $250,000 in excess of known obligations of TBW to Fannie Mae and expects to receive an additional $1,000,000 from the Initial Installment. Fannie Mae will hold such funds for a period of sixty (60) days from the date of this agreement, or such longer period as may be necessary, to enable Fannie Mae to verify that all obligations of TBW to Fannie Mae have been identified and resolved. If there are any unapplied funds remaining due to TBW at the end of such period, such funds shall be remitted to TBW or Secured Party as to be agreed by TBW and Secured Party in writing.

2. TBW has repurchased 62 loans on which the notes, mortgage, or remaining collateral such as an unsold, foreclosed property, have not yet been transferred to TBW or to Secured Party. Fannie Mae acknowledges that the items as listed on the attached Schedule to Exhibit "B" are due to TBW or Secured Party and agrees to return such items (or, if a note is lost, it will provide a lost note affidavit) within thirty (30) days of the Effective Date of this agreement, to Secured Party or, if authorized by Secured Party, to TBW.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ _____
Name: Date
Title:

Colonial Bank

BY:_____ _____
Name: Date
Title:

EXHIBIT "B" TO FUNDS DISBURSEMENT AGREEMENT

The release provisions set forth in Paragraphs 3 (a) and (b) also except out the following issues for resolution subsequent to the Effective Date:

1. Fannie Mae is currently holds approximately $250,000 in excess of known obligations of TBW to Fannie Mae and expects to receive an additional $1,000,000 from the Initial Installment. Fannie Mae will hold such funds for a period of sixty (60) days from the date of this agreement, or such longer period as may be necessary, to enable Fannie Mae to verify that all obligations of TBW to Fannie Mae have been identified and resolved. If there are any unapplied funds remaining due to TBW at the end of such period, such funds shall be remitted to TBW or Secured Party as to be agreed by TBW and Secured Party in writing.

2. TBW has repurchased 62 loans on which the notes, mortgage, or remaining collateral such as an unsold, foreclosed property, have not yet been transferred to TBW or to Secured Party. Fannie Mae acknowledges that the items as listed on the attached Schedule to Exhibit "B" are due to TBW or Secured Party and agrees to return such items (or, if a note is lost, it will provide a lost note affidavit) within thirty (30) days of the Effective Date of this agreement, to Secured Party or, if authorized by Secured Party, to TBW.

Taylor, Bean & Whitaker Mortgage Corporation

BY:_____ 6/12/02
Name: LEE B. FARKAS Date
Title: C.E.O.

Colonial Bank

BY:_____ _____
Name: Date
Title:

TBW Exhibit B to Funds Disbursement

Residential Funding Corporation

BY: (b) (7)(C)
Name
Title

Date

Fannie Mae

BY:_____
Name:
Title:

Date

GMAC Mortgage Company

BY:_____
Name:
Title:

Date

RFC- Exhibit B Funds Disbursement

GMAC Residential Funding Corporation

BY:_____ _____
Name: Date
Title:

Fannie Mae

BY: (b) (7)(C) 6/11/02
Name: [redacted] Date
Title:

GMAC Mortgage Company

BY: (b) (7)(C) 6/12/02
Name: [redacted] Date
Title:

EX "B" TO FUNDS DISBURSEMENT AGREEMENT/TBW

Schedule for Exhibit B

Borrower	Property Address	City	State	Zip	Fannie Mae Loan Number	TBW Loan Number	Return Document
Group 2a							
(b) (7)(C)		Miramar	FL	33023	1675279276	97750	Note
		Pembroke Pines	FL	33025	1675045337	96024	Note
		N Lauderdale	FL	33068	1676348344	116729	Note
		Miami	FL	33127	1677003377	131194	Note
		Miami	FL	33147	1677200737	138690	Note
		Miami	FL	33147	1676019339	113305	Note
		Miami	FL	33147	1677003740	135400	Note
		Miami	FL	33169	1676549381	119513	Note
		Miami	FL	33187	1674902028	92578	Note
		Ft. Lauderdale	FL	33311	1677278919	142218	Note
		Lauderhill	FL	33313	1677003374	122269	Note
		Hollywood	FL	33020	1677461698	141357	Deed
		Hollywood	FL	33020	1677278920	1440639	Deed
		Miami	FL	33142	1676988171	129562	Deed
		Miami	FL	33147	1676372465	113452	Deed
		Miami	FL	33150	1675143060	96715	Deed
		Ft Lauderdale	FL	33311	1677200745	135107	Deed
Group 2b							
(b) (7)(C)		Miami	FL	33127	1677003727	129885	Note
		Florida City	FL	33033	1677003376	127570	Note
		Miami	FL	33147	4001812052	141365	Note
		Inverness	FL	34453	4001808133	145371	Note
		Riverdale	GA	30296	4001872191	155539	Note
		Thomasville	GA	31792	4001872194	91508	Note
Group 2c							
	(b) (7)(C)	Ft. Lauderdale	FL	33311	4001448185	85147	Deed
		Miami	FL	33055	4001448184	84917	Deed
		Oplocka	FL	33054	4001443547	84898	Deed
		Ocala	FL	34479	4001351827	52636	Deed
		Sanford	FL	32773	4001443512	82622	Deed
		Miami	FL	33056	4001448060	84891	Deed
		Miramar	FL	33023	4001448821	84918	Deed
Group 2d							
					4001722572	129824	Deed
					1673209731	54705	Deed

Schedule for Exhibit B

Borrower	Property Address	City	State	Zip	Fannie Mae Loan Number	TBW Loan Number	Return Document
Group 20							
					4001448183	84902	Note
					4001865195	62068	Note
					4001582065	70804	Note
					4001470944	81370	Note
					4001443384	83170	Note
					4001865196	87596	Note
					4001994288	90231	Note
					4001865197	93692	Note
					4001710017	66996	Note
					4001948749	86141	Note
					4001948750	87811	Note
					4001994284	88043	Note
					4001994285	88159	Note
					4001874856	90723	Note
					4002062178	90965	Note
					4002033528	92193	Note
					4001874865	95146	Note
					4002062160	114139	Note
					4002062161	119780	Note
					4001848011	135848	Note
					4001467071	56109	Note
					4001712256	61685	Note
					4001660879	41803	Note
					4001660880	42917	Note
					4001660881	52961	Note
					4001660882	55316	Note
					4001443481	57247	Note
					4002062188	99567	Note
					4002084963	94714	Note
					4002033523	82583	Note

EXHIBIT "C" TO FUNDS DISBURSEMENT AGREEMENT
UCC FINANCING STATEMENTS

State	UCC Number	Secured Party
Florida	990000247010	Colonial Bank
Florida	200000081710	Colonial Bank
Florida	200100192313	Colonial Bank
Florida	200200166210	Colonial Bank
Florida	20020046212X	Residential Funding Corporation
Florida	99096243	Colonial Bank

GUARANTY

This GUARANTY ("Guaranty") is executed as of June 12, 2002, by RESIDENTIAL FUNDING CORPORATION, a Delaware corporation ("Guarantor"), for the benefit of GMAC MORTGAGE CORPORATION, a Pennsylvania corporation ("GMACM").

RECITALS

A. GMACM, Taylor, Bean & Whitaker Mortgage Corporation ("Obligor"), and Federal National Mortgage Association ("FNMA") are parties to that certain Purchase and Sale Agreement dated as of May 31, 2002 (the "Purchase Agreement"), with respect to the acquisition by GMACM of approximately $1.76 Billion in FNMA servicing rights from Obligor.

B. GMACM and Guarantor executed that certain letter agreement dated as of April 23, 2002 pursuant to the terms of which Guarantor agreed to execute and deliver this Guaranty. GMACM would not have entered into the Purchase Agreement without Guarantor's agreement to execute and deliver from this Guaranty.

C. Guarantor has extended one or more credit facilities to Obligor and will directly benefit from consummation of the transactions contemplated in the Purchase Agreement by receiving a portion of the purchase price to be paid by GMACM thereunder in partial satisfaction of Obligor's indebtedness to Guarantor.

NOW, THEREFORE, in consideration of the premises herein set forth, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligation. Guarantor hereby irrevocably and unconditionally guarantees to GMACM (and its successors and assigns), jointly and severally, the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable, jointly and severally, for the Guaranteed Obligations as a primary obligor, and that Guarantor shall fully perform, jointly and severally, each and every term and provision hereof.

Section 1.2 Definition of Guaranteed Obligations. As used herein, the term "Guaranteed Obligations" shall mean the following:

(a) All of Obligor's obligations under the Purchase Agreement (the "Obligations"), including without limitation (a) Obligor's obligations to indemnify and defend GMACM from and against breach of all representations and warranties pertaining to the Servicing (as defined in the

Purchase Agreement) and (b) performance by Obligor of all obligations of indemnification and/or repurchase arising with respect to the mortgage loans related to the Servicing;

(b) All "Expenses," which term shall mean all reasonable attorneys' fees and expenses and all other costs and expenses of any kind which GMACM may at any time pay or incur in attempting to collect, compromise or enforce in any respect the Obligations or this Guaranty, whether or not suit is ever filed, and whether or not in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding involving Obligor or any Guarantor. If GMACM pays any such cost or expense, "Expenses" shall also include interest at the rate of twelve percent (12%) per annum (the "Default Rate") on any such payment from the date thereof until repayment of GMACM in full; and

(c) Any and all post-petition interest and expenses (including attorney's fees) whether or not allowed under any bankruptcy, insolvency, or other similar law.

Section 1.3 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance, is joint and several and is not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor. Subject to the provisions of Sections 1.4 and 2.1 (provided that no release or discharge in full of Guarantor's obligation hereunder shall occur by virtue of the operation of Section 1.4 or 2.1 except in accordance with the express terms thereof), the fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to GMACM with respect to Guaranteed Obligations. Neither this Guaranty nor any of Guarantor's obligations hereunder shall be discharged by the assignment of all or part of the Servicing.

Section 1.4 Guaranteed Obligations Not Reduced by Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to GMACM hereunder, shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Obligor, or any other party, against GMACM or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise. Notwithstanding any provision of this Agreement to the contrary, Guarantor's liability to GMACM hereunder shall be reduced to the extent that Obligor has valid defenses or offsets to payment of the Guaranteed Obligations, or valid claims with respect thereto, but only to the extent that such defenses, offsets, or claims arise under the terms of the Purchase Agreement. Such defenses or offsets shall not include, without limitation, any of the matters described in Article II hereof.

Section 1.5 Payment by Guarantor. If all or any part of the Guaranteed Obligations, as limited by Section 1.2, shall not be punctually paid when due, after demand therefor is made on Obligor, Guarantor shall, within ten (10) business days following demand by GMACM, and without presentment, protest, notice of protest, notice of non-payment, or any other notice whatsoever, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to GMACM at GMACM's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations, and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.6 No Duty to Pursue Others. It shall not be necessary for GMACM (and Guarantor hereby waives any rights which Guarantor may have to require GMACM), in order to enforce such payment by Guarantor, first to (a) institute suit or exhaust its remedies against Obligor or others liable on the Guaranteed Obligations or any other person, (b) enforce or exhaust any of GMACM's rights

or remedies against any collateral which shall ever have been given to secure the Guaranteed Obligations, (c) enforce GMACM's rights or remedies available to GMACM against any other guarantors of the Guaranteed Obligations, (d) join Obligor or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, or (e) resort to any other means of obtaining payment of the Guaranteed Obligations. GMACM shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.7 Waivers. Guarantor agrees to the provisions of the Purchase Agreement, and hereby waives notice of (a) acceptance of this Guaranty, (b) any amendment or extension of the Guaranteed Obligations, (c) the occurrence of any breach or default by Obligor, (d) GMACM's transfer or disposition of the Servicing, or any part thereof, (e) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (f) protest, proof of non-payment or default by Obligor, or (g) any other action at any time taken or omitted by GMACM, and, generally, all demands and notices of every kind in connection with this Guaranty, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and the obligations hereby guaranteed.

Section 1.8 Payment of Expenses. In the event that Guarantor should breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately upon demand by GMACM, pay GMACM all costs and expenses (including court costs and reasonable attorneys' fees) incurred by GMACM in the enforcement hereof or the preservation of GMACM's rights hereunder. The covenant contained in this section shall survive the payment and performance of the Guaranteed Obligations.

Section 1.9 Effect of Bankruptcy. In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, GMACM must rescind or restore any payment, or any part thereof, received by GMACM in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by GMACM shall be without effect, and this Guaranty shall remain in full force and effect. It is the intention of Obligor and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

Section 1.10 Obligor. The term "Obligor" as used herein shall include any new or successor corporation, association, partnership (general or limited), joint venture, trust or other individual or organization, formed as a result of any merger, reorganization, sale, transfer, devise, gift or bequest of Obligor or any interest in Obligor, which is liable to GMACM under the Purchase Agreement.

Section 1.11 Right to Cure. In the event that Obligor ceases its business operations, GMACM shall provide to Guarantor such notices and rights to cure as are provided to Obligor under Section 10.2 of the Purchase Agreement.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following, and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable, statutory or other rights

(including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 Modifications. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, Purchase Agreement, or other document, instrument, contract or understanding between Obligor and GMACM, or any other parties, pertaining to the Guaranteed Obligations or any failure of GMACM to notify Guarantor of any such action; provided that GMACM shall not agree to any modification to the Purchase Agreement that would materially increase the amount of the Guaranteed Obligations without the prior written consent of Guarantor.

Section 2.2 Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by GMACM to Obligor or any Guarantor.

Section 2.3 Condition of Obligor or Guarantor. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Obligor, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Obligor or Guarantor, or any sale, lease or transfer of any or all of the assets of Obligor or Guarantor, or any changes in the shareholders, partners or members of Obligor or Guarantor; or any reorganization of Obligor or Guarantor.

Section 2.4 Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations, the Purchase Agreement or any other document or agreement executed in connection with the Guaranteed Obligations, for any reason whatsoever, including without limitation the fact that (a) the Guaranteed Obligations, or any part thereof, exceeds the amount permitted by law, (b) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (c) the officers or representatives executing the Purchase Agreement or otherwise creating the Guaranteed Obligations acted in excess of their authority, (d) except as expressly otherwise provided in Section 1.4 hereof, Obligor has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Obligor, (e) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations, or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (g) the Purchase Agreement has been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Obligor or any other person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 Release of Obligors. Any full or partial release of the liability of Obligor on the Guaranteed Obligations, or any part thereof, or of any co-guarantors, or any other person or entity now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to pay or perform the Guaranteed Obligations, or that GMACM will look to other parties to pay or perform the Guaranteed Obligations.

Section 2.6 Other Collateral. The taking or accepting of any security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 Release of Collateral. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

Section 2.8 Care and Diligence. The failure of GMACM or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of GMACM (a) to take or prosecute any action for the collection of any of the Guaranteed Obligations, or (b) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (c) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

Section 2.9 Unenforceability. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

Section 2.1 Merger. The reorganization, merger or consolidation of Obligor into or with any other corporation or entity.

Section 2.11 Preference. Any payment by Obligor to GMACM is held to constitute a preference under bankruptcy laws, or for any reason GMACM is required to refund such payment or pay such amount to Obligor or someone else.

Section 2.12 Other Actions Taken or Omitted. Subject to Sections 1.4 and 2.1 (provided that no release or discharge in full of Guarantor's obligation hereunder shall occur by virtue of the operation of Section 1.4 or 2.1 except in accordance with the express terms thereof), any other action taken or omitted to be taken with respect to the Purchase Agreement, the Guaranteed Obligations, or any security and collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether or not contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce GMACM to enter into the Purchase Agreement and acquire the Servicing, Guarantor represents and warrants to GMACM as follows:

Section 3.1 Benefit. Guarantor has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 Familiarity and Reliance. Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Obligor.

Section 3.3 No Representation by GMACM. Neither GMACM nor any other party has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty.

Section 3.4 Legality. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not, and will not, contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, deed of trust, charge, lien, or any contract, agreement or other instrument to which Guarantor is a party or which may be applicable to Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.5 Survival. All representations and warranties made by Guarantor herein shall survive the execution hereof.

Section 3.6 Review of Documents. Guarantor has examined the Purchase Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Waiver. No failure to exercise, and no delay in exercising, on the part of GMACM, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of GMACM hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor consent to departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 4.2 Notices. Any notice, demand, statement, request or consent made hereunder shall be in writing and shall be deemed to be received by the addressee on the day such notice is tendered to a nationally recognized overnight delivery service or on the third day following the day such notice is deposited with the United States Postal Service first class certified mail, return receipt requested, in either instance addressed to the address, as set forth below, of the party to whom such notice is to be given, or to such other address as either party shall in like manner designate in writing. The addresses of the parties hereto are as follows:

Guarantor:

Residential Funding Corporation
7501 Wisconsin Avenue, Suite 900
Bethesda, Maryland 20814-6258
Attention: Sam Bryan, Manager

GMACM:

GMAC Mortgage Corporation
P.O. Box 1018
Horsham, Pennsylvania 19044-8018

Section 4.3 Governing Law; Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and the applicable laws of the United States of America. Guarantor hereby irrevocably submits to the jurisdiction of any court of competent jurisdiction located in the Commonwealth of Pennsylvanisa in connection with any proceeding out of or relating to this Guaranty.

Section 4.4 Invalid Provisions. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 4.5 Amendments. This Guaranty may be amended only by an instrument in writing executed by the party or an authorized representative of the party against whom such amendment is sought to be enforced.

Section 4.6 Parties Bound; Assignment. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that Guarantor may not, without the prior written consent of GMACM, assign any of its rights, powers, duties or obligations hereunder. GMACM may not, without the prior written consent of Guarantor, assign this Guaranty and its rights hereunder to any subsequent purchaser of the Servicing, provided that no sale or assignment of all or part of the Servicing shall discharge this Guaranty or any of Guarantor's obligations hereunder.

Section 4.7 Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 4.8 Recitals. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 4.9 Counterparts. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more

than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

Section 4.10 Rights and Remedies. If Guarantor becomes liable for any indebtedness owing by Obligor to GMACM, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of GMACM hereunder shall be cumulative of any and all other rights that GMACM may ever have against Guarantor. The exercise by GMACM of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 4.11 Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND GMACM WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND GMACM AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND GMACM, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND GMACM.

Section 4.12 Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to GMACM hereunder, shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Obligor against GMACM, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

EXECUTED as of the day and year first above written.

GUARANTOR:

RESIDENTIAL FUNDING CORPORATION

By: (b) (7)(C)

Name [redacted]
Title
Date: 6-14-02

instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

Section 4.10 Rights and Remedies. If Guarantor becomes liable for any indebtedness owing by Obligor to GMACM, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of GMACM hereunder shall be cumulative of any and all other rights that GMACM may ever have against Guarantor. The exercise by GMACM of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 4.11 Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND GMACM WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND GMACM AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND GMACM, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND GMACM.

Section 4.12 Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to GMACM hereunder, shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Obligor against GMACM, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

EXECUTED as of the day and year first above written.

GUARANTOR:

RESIDENTIAL FUNDING CORPORATION

By: (b) (7)(C)

Name:

Title:

Date: 6/12/2002

RTC- Guaranty

GMAC Mortgage

Capital Markets

May 31, 2002

(b) (7)(C)

GMAC-RFC

Re: Taylor, Bean & Whitaker Mortgage Corporation, Inc.

Dear (b) (7)(C):

This will confirm the details of the agreement between GMAC Mortgage Corporation ("GMACM") and Residential Funding Corporation ("RFC") with respect to the acquisition by GMACM of approximately $1.76 billion in Fannie Mae servicing rights (the "Servicing") from Taylor, Bean & Whitaker Mortgage Corporation, Inc. ("TBW") and Fannie Mae. Pursuant to the bid letter dated April 23, 2002 (the "Bid Letter"), GMACM will proceed with its due diligence review of TBW and the Servicing, with the intention of entering into a definitive Purchase and Sale Agreement (the "Agreement") with TBW and Fannie Mae. The Agreement will provide that the purchase price payable for the Servicing will be paid to Fannie Mae.

In consideration of GMACM's willingness to proceed with its acquisition of the Servicing, RFC has agreed to the following:

1. As to RFC's warehouse lending relationship with TBW, RFC will not initiate the exercise of the Lenders' contractual remedies with respect to existing breaches by TBW of its obligations under the credit agreement between TBW and the Lenders party thereto, provided that GMACM acknowledges that the Lenders may, pursuant to the terms of the credit agreement, exercise their contractual remedies without the consent of RFC, and that the credit agreement will mature on September 30, 2002 unless it is extended.

2. RFC will enter into a written guaranty, in form and substance acceptable to GMACM, of TBW's performance of its contractual obligations under the Agreement, including without limitation, performance by RFC of TBW's obligations of indemnification and/or repurchase arising with respect to the related mortgage loans. GMACM will first attempt to collect any sums due directly from TBW in accordance with the terms of the Agreement. In the event that TBW fails to perform its contractual obligations in a timely fashion, GMACM will promptly provide RFC with written notice of such deficiency. RFC agrees to remit any funds due under this guarantee to GMACM within ten (10) business days following its receipt of such written notice.

GMACM acknowledges RFC's request to accelerate certain deferred payments of purchase price for the Servicing, as set forth in the Bid Letter. In consideration of RFC's willingness to agree to the provisions set forth in Sections 1 and 2 above, GMACM is willing to accelerate the payment schedule outlined in the Bid Letter to the following:

GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044

www.gmacmortgage.com

a) Sixty percent (60%) of the estimated Purchase Price shall be payable within five (5) Business Days after the Transfer Date and upon receipt of substantially all Complete Mortgage Loan Files and all Custodial files, and upon confirmation of receipt of Mortgage Loan escrow monies and related documentation.

b) An additional ten percent (10%) of the Purchase Price shall be payable within five (5) Business Days after Seller has paid all costs and performed its obligations under section six of the Bid Letter.

c) The balance of the Purchase Price shall be payable upon the later of (i) one hundred twenty days (120) days after the applicable Transfer Date, (ii) the date of Purchaser's receipt of the initial shipment of Mortgage Loan Files, (iii) receipt of all remaining Complete Mortgage Loan Files and documentation pertaining to the Mortgage Loans, and (iv) verification of Purchase Price calculation. Purchaser may withhold from such balance the amount of any outstanding advances made by Seller under the Servicing Contracts that Purchaser determines are not collectable, unless and until such advances are collected. Purchaser shall use its best efforts to accomplish (iv) in a timely manner which shall not exceed sixty (60) days.

d) In the event Purchaser has not received all remaining Complete Mortgage Loan Files and related documentation pertaining to the Mortgage Loans within one hundred twenty (120) days after the applicable Transfer Date, the remaining balance of the Purchase Price shall be released monthly to Seller commencing five (5) months following the applicable Transfer Date on a pro-rata basis, based on the Complete Mortgage Loan Files received by Purchaser during the previous month subject to a minimum retention of $500,000 by Purchaser pending receipt of all remaining Complete Mortgage Loan Files and documentation with respect to the applicable Transfer Date per Investor type. Seller will provide Purchaser with an exhibit of outstanding documents as of each Transfer Date. This exhibit, updated and provided to Purchaser monthly, will be the basis from which the monthly pro-rata release of Purchase Price to Seller will be determined, subject to Purchaser's confirmation.

e) Subject to receipt of written authorization from FNMA, in form and substance acceptable to GMACM, GMACM would agree to make payments of the Purchase Price directly to RFC. Absent such written authorization, all payments of the Purchase Price will be made directly to FNMA.

f) Should GMACM sell the Servicing purchased from TBW or any portion thereof for a purchase price (determined as a percentage of the outstanding principal balance of the Mortgage Loans underlying the Servicing or portion thereof sold) greater than the purchase price paid by GMACM to TBW for such Servicing (determined as a percentage of the outstanding principal balance of the same Mortgage Loans, as set forth in the bid letter), then GMACM shall pay to RFC an amount equal to ½ of the difference between the purchase price paid by GMAMC to TBW for the Servicing or such portion thereof and the purchase price received by GMACM upon such sale.

If the foregoing is consistent with your understanding of our agreement, please execute the enclosed copy of this letter on behalf of RFC and return it to my attention.

If you have any questions, please do not hesitate to call me at (b) (7)(C).

Very truly yours,

GMAC MORTGAGE CORPORATION

(b) (7)(C)

ACCEPTED AND AGREED TO:

RESIDENTIAL FUNDING CORPORATION

By: (b) (7)(C)

Nam
Titl
Date: 6-14-12

GMAC Mortgage

Re: Offer to Purchase Servicing Sale Offerings #April 202A and #12012A2 from Phoenix Capital and #0004 from Griffin Capital Partners between Taylor, Bean & Whitaker Mortgage Corporation ("Seller") and GMAC Mortgage Corporation ("Buyer") dated April 23, 2002

Acknowledgement

The undersigned Buyer acknowledges that it is aware that the Seller is in a terminated Fannie Mae status and that Fannie Mae will need to be part of the Purchase and Sale Agreement on a non-recourse, non-warranty basis.

Buyer also agrees to remit the Purchase Price to Fannie Mae, rather than to Seller.

The Buyer and the Seller recognize the importance of maintaining the confidential nature of this transaction. Both agree that they will take no action to publicize this sale of servicing in any trade or public media using the other party's name without the prior written approval of the other party, except as required by law.

Dated as of April 23, 2002

Seller
Taylor, Bean & Whitaker Mortgage Corporation

Signed: _____

Title: CEO

Buyer
GMAC Mortgage Corporation

Signed: [redacted] (b) (7)(C)

Title: S[redacted]

Fannie M[redacted]
Signed: [redacted]

Title: [redacted]

GMAC Mortgage Corporation
[illegible]
[illegible]
[illegible]
[illegible]

Bid Letter Exhibit XX

Acknowledgement

The undersigned Buyer acknowledges that it is aware that the Seller is in a terminated Fannie Mae status and that Fannie Mae will need to be part of the Purchase and Sale Agreement on a non-recourse, non-warranty basis.

Buyer also agrees to remit the Purchase Price to Fannie Mae, rather than to Seller.

The Buyer and the Seller recognize the importance of maintaining the confidential nature of this transaction. Both agree that they will take no action to publicize this sale of servicing in any trade or public media using the other party's name without the prior written approval of the other party, except as required by law.

Dated as if April 19, 2002

Seller
Taylor, Bean & Whitaker Mortgage Corporation

Signed: _____

Title: CEO

Buyer

Signed: _____

Title: _____

Fannie Mae
Signed: _____

Title: _____

Final Execution Copy

PURCHASE AND SALE AGREEMENT

between

TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION

"Seller"

and

GMAC MORTGAGE CORPORATION

"Purchaser"

dated as of

May 31, 2002

06/13/02 1:26 PM
tbwfnms_final_6_11.doc

Opp
Exhibit No. 53
11.7.07 (b) (7)(C)

EXHIBIT
tabbies

TABLE OF CONTENTS

ARTICLE I
Definitions

Section *Page*

Definitions 1

ARTICLE II
Sale and Transfer of Servicing

2.1 Items to be Sold 8
2.2 Transfer Date and Covenants Regarding the Transfer 8
2.3 Obligations of Seller 10
2.4 Purchase Price and Terms of Payment 10
2.5 Computation; Adjustment 12
2.6 Transfer of Escrow Deposits 12
2.7 Reconciliation 13
2.8 Flood Certification 13
2.9 Optional Insurance 14
2.10 Update of Schedules and Exhibits 14

ARTICLE III
General Representations and Warranties of Seller

3.1 Organization 15
3.2 Good Standing 15
3.3 Validity of Agreement 15
3.4 No Conflict 15
3.5 Compliance with Applicable Requirements; No Default 16
3.6 Title to the Servicing and Related Escrow Accounts 16
3.7 Litigation 16
3.8 Disclosure of Material Facts 17
3.9 No Accrued Liabilities 17
3.10 Errors and Omissions and Fidelity Bond 17
3.11 No Adverse Selection 17
3.12 Non-Recourse Servicing 17
3.13 Settlement Agreement 17
3.14 Bulk Sales 18
3.15 Qualifications 18

Section *Page*

ARTICLE IV
Representations and Warranties Relating to Mortgage Loans

4.1 Information 19
4.2 Origination and Sale of Mortgage Loans 19
4.3 Enforceability 19
4.4 General Servicing of Mortgage Loans 20
4.5 Escrow Accounts 20
4.6 No Modifications 21
4.7 Mortgage Insurance 21
4.8 Hazard Insurance 21
4.9 Condition of Mortgaged Property; Casualties 21
4.10 Lien Priority; Title Insurance 22
4.11 Condemnation; Forfeiture 22
4.12 Custodial Files 22
4.13 Exception Loans 23
4.14 Investor Repurchase and Indemnification 23
4.15 Fraud 23
4.16 Soldiers and Sailors 23
4.17 Compliance 24

ARTICLE V
Representations and Warranties of Purchaser

5.1 Organization 25
5.2 Good Standing 25
5.3 Validity of Agreement 25
5.4 No Conflict 25
5.5 Qualifications 26

ARTICLE VI
Investor Approvals

6.1 Seller's Obligations 27
6.2 Purchaser's Obligations 27

ARTICLE VII
Conditions Precedent to Obligations of Purchaser

7.1 FNMA Approval 28
7.2 Certifications 28
7.3 Representations 28
7.4 Compliance with this Agreement 28

Section *Page*

7.5 Interest Paid 28
7.6 Additional Documentation 29
7.7 Documentation and Files; Compliance 29
7.8 Corporate Resolution 29
7.9 Opinion 29
7.10 Officer's Certificate 29
7.11 UCC Search Results 29
7.12 Material Adverse Change 30
7.13 No Litigation 30
7.14 Bulk Sales 30
7.15 Fundamental Changes 30
7.16 Hart-Scott-Rodino 30
7.17 Appointment of Certain Officers 31
7.18 Due Diligence 31
7.19 Non-satisfaction of Condition 31

ARTICLE VIII
Conditions Precedent to Obligations of Seller

8.1 FNMA Approval 32
8.2 Representations 32
8.3 Compliance with this Agreement 32
8.4 Additional Documentation 32
8.5 Corporate Resolution 32
8.6 Hart-Scott-Rodino 33
8.7 No Litigation 33
8.8 Non-satisfaction of Condition 33

ARTICLE IX
Covenants

9.1 Mutual Cooperation 34
9.2 Assignments 34
9.3 Transfer Costs 34
9.4 Tax Service Contracts 35
9.5 Form 1099, Form 1098 - Seller's Obligation 35
9.6 Form 1099, Form 1098 - Purchaser's Obligation 35
9.7 Reimbursement of Costs and Expenses 35
9.8 Payment of Interest 36
9.9 Post-transfer Payments 36
9.10 Retention of Documents; Post-transfer Support 36
9.11 Bulk Transfer Laws Compliance 36

Section *Page*

9.12 Financial Statements 36
9.13 Antitrust Matters 37
9.14 Public Announcement 37
9.15 Certain Notifications 37

ARTICLE X
Indemnification and Remedies

10.1 Indemnification by Seller 38
10.2 Repurchase/Purchaser's Remedies 39
10.3 No Effect of Knowledge 40
10.4 Indemnification by Purchaser 40
10.5 Notice of Claim 41
10.6 Limitation of Liability 41
10.7 Right of Offset 41

ARTICLE XI
Miscellaneous

11.1 Costs and Expenses 42
11.2 Confidentiality 42
11.3 Broker's Fees 42
11.4 No Solicitation 43
11.5 Survival 43
11.6 Notices 43
11.7 Governing Law 44
11.8 Jurisdiction and Venue 44
11.9 Entire Agreement 44
11.10 Waivers and Amendments 45
11.11 Third Party Beneficiaries 45
11.12 Construction 45
11.13 Headings 45
11.14 Counterparts 45
11.15 Attorney Fees 45
11.16 Binding Effect 45
11.17 Assignment 46
11.18 Location of Closing 46
11.19 Severability of Provisions 46

LIST OF SCHEDULES AND EXHIBITS 48

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of May 31, 2002 by and among Taylor, Bean & Whitaker Mortgage Corporation ("Seller"), a Florida corporation with its principal office located at 101 Northeast 2nd Street Ocala, Florida 34470-6640 and GMAC Mortgage Corporation ("Purchaser"), a Pennsylvania corporation with its principal office located at 100 Witmer Road, Horsham, Pennsylvania 19044-0963, and, for the limited purposes of the covenanting to Purchaser as set forth in Sections 2.2 and 2.6 hereof, and representing and warranting to Purchaser the matters set forth in Section 3.6 hereof, Federal National Mortgage Association ("FNMA").

Recitals

1. Seller is the servicer of certain Mortgage Loan Pools (collectively the "Pools") and certain Whole Loans (the "Whole Loans") identified on the schedule attached hereto as Exhibit A, having an aggregate outstanding principal balance of $1.0 billion ("Portfolio A"), $482 million ("Portfolio B"), $279 million ("Portfolio C") and $15.5 million ("Portfolio D") collectively, totaling $1.916 billion. The Pools are backed by, and the Whole Loans represent, residential (1-4 family) mortgage loans (the "Mortgage Loans") originated, purchased, sold and/or serviced by the Seller pursuant to certain pool purchase contracts and whole loan sale and servicing contracts (collectively referred to hereinafter as "Servicing Agreements"). Each Servicing Agreement requires the servicer to service the Mortgage Loans pursuant to the applicable regulations and guidelines of FNMA (the "Investor").

2. Seller desires to sell and Purchaser desires to purchase all right, title, and interest in and to the Servicing in accordance with the terms and conditions of this Agreement, subject to Investor approval.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
Definitions

All words or phrases defined in this Article I (except as herein otherwise expressly provided or unless the context otherwise requires) shall, for the purposes of this Agreement, have the respective meanings specified in this Article.

1.1 Affiliate means, with respect to any party hereto, any person or entity which controls, is controlled by, or is under common control with, such party.

1.2 Agreement means this Purchase and Sale Agreement and all Exhibits and Schedules hereto, all of which are incorporated herein by this reference, and any written and

agreed to amendments or modifications hereto signed by both Seller and Purchaser.

1.3 **Ancillary Income** means all income derived from the Mortgage Loans other than servicing fees, including without limitation late charges and other incidental fees and fees, commissions or expense reimbursements relating to insurance.

1.4 **Applicable Requirements** means, with respect to each and every Mortgage Loan and each and every REO Property (a) all applicable contractual obligations, including without limitation those contractual obligations contained in Mortgage Loan Documents, in the Servicing Agreements, in policies of mortgage insurance (including FHA insurance and VA guaranty), or in policies of hazard (including flood) insurance pertaining to any Mortgaged Property, (b) all applicable statutes, rules, regulations and ordinances of any federal, state, local and other governmental or regulatory authority (including without limitation RESPA, Truth-In-Lending, ECOA, HMDA, fair lending, credit reporting, usury, consumer privacy and environmental laws), (c) all applicable requirements, guidelines, standards and/or practices of the Investor and each governmental agency, government-sponsored entity, board, commission, instrumentality and other governmental body or officer having jurisdiction (including without limitation FNMA, FHA, RHS, VA and their respective selling and/or servicing guides), (d) all applicable requirements and guidelines of PMI companies, (e) all applicable judicial and administrative judgments, consent decrees, orders, stipulations, awards, settlement agreements, writs and injunctions, (f) as applicable, the reasonable and customary mortgage servicing practices and/or lending of prudent mortgage lending institutions that originate and/or service mortgage loans of the same type as the Mortgage Loans in the jurisdictions in which the related Mortgaged Properties are located, and (g) published standards and practices of the Mortgage Bankers Association or other pertinent trade association.

1.5 **ARM Loan** means a Mortgage Loan that is an adjustable rate loan.

1.6 **Business Day** means any day of the week other than a Saturday, Sunday, or a legal holiday or a bank holiday in the Commonwealth of Pennsylvania, the State of Iowa, or the State of Florida.

1.7 **Buydown Loan** means a Mortgage Loan as to which a specified amount of interest is paid out of a related Escrow Account in accordance with a related buydown agreement.

1.8 **Claimant** shall have the meaning given in Section 10.5 of the Agreement.

1.9 **Complete Mortgage Loan File** means those origination and servicing documents, escrow documents, and other documents specified in Exhibit B to this Agreement.

1.10 **Custodial File** means the documents required by the Investor under the Servicing Agreement to be retained by a document custodian acceptable to Investor, or by Investor.

1.11 **Custodian** means Escrow Bank USA, or such other document custodian as may be designated by Purchaser or defined by the Investor.

1.12 **Deduction Loan** means a Mortgage Loan, as disclosed on Exhibit A-2, which is

three (3) payments or more past due, in bankruptcy, in litigation, or in foreclosure or REO status, as those terms are defined in Section 1.14.

1.13 Defect means a breach in any respect of any representation or warranty herein contained with respect to a Mortgage Loan or any failure by Seller to comply with any covenant herein contained with respect to a Mortgage Loan which could reasonably be expected to result in a loss or damage to Purchaser or the imposition of additional servicing burdens with respect to such Mortgage Loan.

1.14 Delinquent Loan means a Mortgage Loan, as disclosed on Exhibit A-1, which is two (2) payments or more past due, in bankruptcy, in litigation, or in foreclosure or REO status. The term "*in bankruptcy*" shall mean with respect to a Mortgage Loan that the related Mortgagor has sought relief under or has otherwise been subjected to the federal bankruptcy laws or any other similar laws of general application for the relief of debtors through the institution of appropriate proceedings, and such proceedings are continuing, and shall continue until the related Mortgaged Property is released from the jurisdiction of the bankruptcy or other court in which the matter is pending, regardless of whether such proceeding is dismissed, finally concluded, or otherwise. The term *"in foreclosure"* shall mean, as to any Mortgage Loan, that the first action necessary to be taken to commence proceedings in foreclosure or a sale under power of sale under the law of the state wherein the Mortgage is to be enforced, has been taken, and such proceedings are continuing, or should have been taken in accordance with Investor standards. The term *"in litigation"* shall mean a legal action in foreclosure of a Mortgage Loan, or for a deficiency thereunder, in which the sale of the Mortgaged Property in foreclosure (whether by action, power of sale, or otherwise) has been delayed by reason of the defense of such action by the Mortgagor, or any other action commenced or pending which involves the Mortgage Loan. The term *"REO status"* shall mean the ownership of real property as a result of foreclosure of a Mortgage or acquisition of a deed in lieu of foreclosure with respect to a Mortgaged Property.

1.15 Electronic Data File means test tape(s), sale tape(s) and/or transfer tape(s) containing Mortgage Loan and/or Servicing information to be delivered to Purchaser having the magnetic format and substance specified in the Transfer Instructions.

1.16 Eligible Mortgage Loan means a Mortgage Loan which is not a Delinquent Loan.

1.17 Escrow Accounts means those accounts established and maintained by Seller with commercial banking institutions or savings and loan associations under the provisions of the Servicing Agreements for (i) the deposit and retention of interest and principal on account of the Mortgage Loans; (ii) the deposit and retention of all collections of taxes, assessments, ground rents, hazard and mortgage insurance or comparable items on account of the Mortgage Loans; and/or (iii) the deposit and retention of buydown funds on account of the Mortgage Loans, and all other escrow or similar accounts maintained by Seller with respect to the Mortgage Loans.

1.18 Escrow Deposits means funds held in Escrow Accounts.

1.19 FHA means the Federal Housing Administration of the Department of Housing

and Urban Development of the United States of America and any successor or assignee thereof.

1.20 FNMA means the Federal National Mortgage Association and any successor or assignee thereof.

1.21 **Hazardous Materials** means any substance, chemical, waste, or other material which is or may be at any time before the Sale Date listed, defined or otherwise identified as hazardous, toxic or dangerous under applicable law including, without limitation, asbestos, PCB's petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas.

1.22 **Indemnifiable Claim** shall have the meaning given in Section 10.5 of the Agreement.

1.23 **Indemnifying Party** shall have the meaning given in Section 10.5 of the Agreement.

1.24 Interest Rate means the average thirty (30) day rate for high grade commercial paper (unsecured notes sold through dealers by major corporations) as published daily in the Wall Street Journal.

1.25 Investor means FNMA.

1.26 Knowledge of Seller means (a) the actual knowledge of the senior management of Seller, including without limitation, the senior servicing officer of Seller, at or prior to the date of this Agreement, and/or (b) information which such officers are presumed to know based on facts, circumstances or information contained or described at any time prior to the date hereof in the books, records, files or other documents of Seller.

1.27 Losses shall have the meaning given in Section 10.1 of the Agreement.

1.28 MERS means Mortgage Electronic Registration Systems, Inc., a Delaware corporation with its principal place of business situated at 8201 Greensboro Drive, Suite 350, McLean, Virginia 22102.

1.29 Mortgage means a valid and enforceable Mortgage, Deed of Trust, or other security instrument creating a first lien upon described real property improved by a single family dwelling which secures a Mortgage Note.

1.30 Mortgage Loan means an individual residential (1-4 family) mortgage loan which is the subject of the Servicing Agreements and this Agreement, as identified in the schedule attached hereto as Exhibit A.

1.31 **Mortgage Loan Documents** means all documents specified in the Investor Seller/Servicer Guide(s) pertaining to a particular Mortgage Loan.

1.32 Mortgage Note means a written promise to pay a sum of money at a stated

interest rate during a specified term that is secured by a Mortgage.

1.33 **Mortgaged Property** means real property which is subject to a lien created by a Mortgage as security for the related Mortgage Loan.

1.34 **Mortgagor** means the obligor on a Mortgage Note.

1.35 **P & I** means principal and interest.

1.36 **Payoff Adjustment Date** means the four (4) calendar month period following the Sale Date.

1.37 **Payoff Loan** means any Mortgage Loan that (a) is not a Delinquent Loan or otherwise excluded from the purchase and sale contemplated herein; and (b) is paid off within four (4) calendar months after the Sale Date.

1.38 **PMI** means any applicable carrier of private mortgage insurance.

1.39 **Pool or Pools** means any pool(s) of Mortgage Loans identified on the Summary of Pools attached hereto as Exhibit C.

1.40 **Purchase Price Percentage** means the aggregate total of (i) the bid multiple of 4.2 times the net service fee of all Mortgage Loans in Portfolio A which are Eligible Mortgage Loans on the Sale Cutoff Date, (ii) the bid multiple of 3.82 times the net service fee of all Mortgage Loans in Portfolio B which are Eligible Mortgage Loans on the Sale Cutoff Date, (iii) the bid multiple of 3.8 times the net service fee of all Mortgage Loans in Portfolio C which are Eligible Mortgage Loans on the Sale Cutoff Date and (iv) the bid multiple of 0.90 times the net service fee of all Mortgage Loans in Portfolio D which are Eligible Mortgage Loans of the Sale Cutoff Date.

1.41 **Recourse Obligation** means, with respect to any Mortgage Loan, any obligation or liability (actual or contingent) of the servicer (a) for losses incurred in connection with the foreclosure or other disposition of, or other realization or attempt to realize upon the collateral securing, such Mortgage Loan (including, without limitation, losses relating to loss mitigation or obtaining deeds in lieu of foreclosure); (b) to repurchase such Mortgage Loan in the event that the Mortgagor of such Mortgage Loan is in bankruptcy, in foreclosure or in litigation; or (c) to repurchase such Mortgage Loan in the event of a delinquency or other payment default thereunder by the Mortgagor. Notwithstanding the foregoing, a Mortgage Loan shall not be considered subject to a Recourse Obligation merely because the Servicer retains a contingent liability to repurchase a Mortgage Loan that is determined to have been ineligible for sale to the Investor due to a breach of one or more representations and warranties.

1.42 **Related Agreement** means any other agreement or document referred to herein, executed in connection herewith or contemplated hereby to which Seller and Purchaser are parties.

1.43 **REO Property** means, with respect to a Mortgage Loan, the real property to

which Purchaser has taken ownership as a result of foreclosure of a Mortgage or acceptance of a deed in lieu of foreclosure with respect to a Mortgaged Property.

1.44 Repurchase Price means with reference to a Mortgage Loan, the sum of (a) all funds necessary to remove the Mortgage Loan from a Pool, repurchase the Mortgage Loan or REO Property, as applicable, from an Investor, or satisfy an Investor's make-whole request, as may be the case, including interest thereon calculated at the Mortgage Note rate through the last day of the month of repurchase, and to cover any and all costs and expenses of Purchaser, including but not limited to reasonable attorneys' fees and costs, (b) the product of the Purchase Price Percentage and the then-outstanding (or, in the case of an REO Property, the last outstanding) unpaid principal balance of such Mortgage Loan, and (c) an administrative fee in the amount of Five Hundred Dollars ($500.00).

1.45 RHS means the Rural Housing Service (formerly known as the Farmers Home Administration Loan Program ("FmHA")) acting through the U.S. Department of Agriculture and any successor or assignee thereof.

1.46 Sale Cutoff Date means the end of business on the Sale Date.

1.47 Sale Date means May 31, 2002.

1.48 Servicing Agreement means a pool purchase contract or whole loan sale and servicing contract pursuant to which a Mortgage Loan was originated, purchased, sold and/or serviced for the benefit of an Investor.

1.49 Servicing Rights or Servicing means the right, title, and interest in and to the servicing of the Mortgage Loans and the maintenance and servicing of the Escrow Accounts on behalf of Investor subject to the terms and conditions of Seller's and/or Purchaser's contract with Investor, along with the right to receive the servicing fee income and any and all Ancillary Income arising from or connected to any Mortgage Loan.

1.50 Settlement Agreement means an agreement entered into by Seller in settlement of class action claims and/or litigation.

1.51 Significant Underwriting Deficiency shall, with respect to a FNMA Mortgage Loan, have the meaning assigned to it in the FNMA Selling/Servicing Guides, as amended.

1.52 T & I means taxes and insurance.

1.53 Transfer Cutoff Date means the end of business on the Business Day immediately preceding the Transfer Date.

1.54 Transfer Date means the date on which Purchaser assumes physical servicing of the Mortgage Loans and will be June 3, 2002.

1.55 Transfer Instructions means the loan servicing transfer instructions attached as Exhibit D hereto.

1.56 VA means the Department of Veterans Affairs of the United States of America and any successor or assignee thereof.

ARTICLE II
Sale and Transfer of Servicing

2.1 Items to be Sold.

(a) Subject to, and upon the terms and conditions of this Agreement, Purchaser agrees to purchase from the Seller, and Seller agrees to sell, transfer, assign and deliver to Purchaser, as of the Sale Date, the following, including all economic benefit derived therefrom: (a) the Servicing Rights, and (b) all of Seller's right, title and interest in and to the Escrow Deposits, *provided, however*, that until the Transfer Date, Seller shall retain its interests in and to the Servicing and shall remain as the Servicer of record with the related Investor, and fully subject to such Investor's rights and requirements with respect to the Servicing.

(b) In connection with the sale and transfer of Servicing Rights contemplated herein, Purchaser will assume only those contractual duties, obligations and liabilities of Seller that (i) are required by the Investor to be assumed; and (ii) directly arise in connection with Purchaser's acquisition, ownership and use of the Servicing Rights. Purchaser will not assume or otherwise be responsible for in any way whatsoever any other duties, obligations or liabilities of, or claims against, Seller or Seller's shareholders (or any of their respective agents, officers, directors, trustees, or Affiliates), that accrue or otherwise relate to the period prior to the Transfer Date with respect to the Servicing Rights or otherwise; *provided, however*, that subject to Seller's indemnification obligation set forth in Section 10.1, Purchaser will assume liabilities to Investors with respect to the Servicing Rights that accrue prior to the Transfer Date, but only to the extent that such assumption is a condition, evidenced in writing, to the consent by the Investor to the transfer of such Servicing Rights to Purchaser. Fannie Mae has advised Purchaser that its execution of this Agreement and its consent to the transfer of Servicing Rights to Purchaser is conditioned upon Purchaser's assumption of all contractual duties, obligations and liabilities of Seller that arise in connection with Purchaser's acquisition, ownership and use of the Servicing Rights, including without limitation, all selling and servicing representations and warranties prior to and subsequent to the Transfer Date. Purchaser hereby agrees, for the benefit of the Investor, to assume the foregoing duties, obligations, and liabilities of Seller; *provided, however*, that nothing contained herein be construed to limit in any way the obligations of Seller under this Agreement.

2.2 Transfer Date and Covenants Regarding the Transfer.

On the Transfer Date, Seller and Investor will transfer the Servicing Rights and the Escrow Deposits, including without limitation record title and the obligation to service the Mortgage Loans, to Purchaser. Except as provided herein, on the Transfer Date, Seller shall cease all servicing responsibilities with regard to the Mortgage Loans and shall sever its mortgage servicing relationships with the Mortgagors. The transfer will be conducted in accordance with the Transfer Instructions and this Agreement, including, without limitation, the following:

(a) Notice to Mortgagors. Seller shall be responsible, in accordance with Applicable Requirements, at least fifteen (15) days prior to the Transfer Date, mail to the Mortgagor of each Mortgage Loan a letter (which in form and substance complies with Applicable Requirements and is mutually acceptable to Purchaser and Seller) advising the Mortgagor of the transfer of the Servicing thereof and the Escrow Accounts therefor to Purchaser.

(b) Taxes and Premiums. Seller shall pay all real estate taxes, hazard and flood insurance and PMI policy premiums as described in the Transfer Instructions, and shall indemnify Purchaser against any tax penalties incurred on bills that fall delinquent within thirty (30) days after the Transfer Date, provided that the bill was issued to Seller prior to the Transfer Date is due and payable within thirty (30) days after the Transfer Date.

(c) Notice to Custodian(s) and Others. On or prior to the Transfer Date, (A) Seller shall transmit notification of transfer and assignment of the Servicing Rights and the Escrow Accounts to Purchaser to (i) the applicable insurance companies and/or agents (including PMI policy insurers), (ii) each financial institution at which an Escrow Account is maintained, (iii) any external service provider of Seller, including but not limited to any tax service company, insurance outsourcer, etc., (iv) any party involved in the foreclosure of a Mortgaged Property or the bankruptcy proceedings of a Mortgagor, and (v) each Custodian; and (B) upon receipt of the wire transfer from Investor of Escrow Deposits as set forth in Section 2.6 hereof, Purchaser shall establish all Escrow Accounts in accordance with Investor requirements. Such notification shall be sent by first class mail and shall contain instructions to the relevant party to deliver, from and after the Transfer Date, all payments, notices, tax bills, insurance statements, the escrow account statements, tax payment records and copies of legal files, as the case may be, to Purchaser, all as set forth in the Transfer Instructions. All notifications to insurance companies and/or agents shall be sent in compliance with the requirements of all master policies. Seller shall provide to Purchaser copies of the forms of notice used by Seller in sending such notices.

(d) Delivery of Servicing Agreements, Complete Mortgage Loan Files and Records. At the times and in the manner provided in this Agreement and the Transfer Instructions, Seller shall transfer possession to Purchaser of all Servicing Agreements (either duly executed originals or certified true copies), all Complete Mortgage Loan Files and any other Mortgage Loan Documents in Seller's possession relating to each Mortgage Loan. With respect to ARM Loans, such Mortgage Loan Documents shall include, without limitation, copies of all pre-Transfer Date ARM adjustment notices.

(e) Mortgage Payments Received Prior to Transfer Date. Seller shall properly apply, or cause to be applied, all payments received by it with respect to each Mortgage Loan prior to the Transfer Date to reduce the outstanding principal balance of the related Mortgage Loan in accordance with the provisions of the Mortgage Loan Documents and the related Applicable Requirements.

(f) Mortgage Payments Received After Transfer Date. Seller shall forward any monthly mortgage payments received by it, and in the original form of remittance, on or after the Transfer Date to Purchaser in accordance with the Transfer Instructions. Seller shall notify Purchaser of the particulars of the payment in accordance with the Transfer Instructions, which notification shall set forth sufficient information to permit appropriate processing of the payment by Purchaser.

(g) Books and Records. On the Transfer Date, the books, records, and accounts of Seller with respect to the Servicing Rights and the Mortgage Loans shall be in accordance with Purchaser's requirements as provided in the Transfer Instructions as well as all Applicable Requirements and generally accepted accounting practices. Seller shall, on or prior to the Transfer Date, reconcile all balances and accounts and make any monetary adjustments reasonably required by Purchaser.

2.3 Obligations of Seller.

Seller covenants and agrees, from the Sale Date through the Transfer Cutoff Date, that: Seller shall pay, perform and discharge all liabilities and obligations relating to ownership of the Servicing Rights and all the rights, obligations and duties with respect to the Escrow Accounts until the transfer of such items on the Transfer Date.

2.4 Purchase Price and Terms of Payment.

(a) The Purchase Price shall be calculated as follows:

(1) The Purchase Price shall be calculated for the Mortgage Loans shown on Exhibit A by multiplying the unpaid principal balance of all Eligible Mortgage Loans, as of the Sale Cutoff Date, by the corresponding Purchase Price Percentage.

(2) The Purchase Price shall be reduced by $750 for Servicing Rights related to each Mortgage Loan which is a Deduction Loan as of the Sale Cutoff Date.

(3) No Purchase Price shall be paid for Servicing Rights related to Mortgage Loans which are not Eligible Mortgage Loans as of the Sale Cutoff Date.

(b) The Purchase Price shall be paid as follows to the Investor:

(1) Sixty percent (60%) of the estimated Purchase Price shall be payable within five (5) Business Days after the Transfer Date and upon receipt of substantially all Complete Mortgage Loan Files and all Custodial files, and upon confirmation of receipt of Mortgage Loan escrow monies and related documentation.

(2) An additional ten percent (10%) of the Purchase Price shall be payable within five (5) Business Days after Seller has paid all costs and performed its obligations under section six of the Bid Letter dated April 23, 2002 to Mr. Brett Schaffer Phoenix Capital executed by Kenneth R. Perkins Senior Vice President GMAC Mortgage Corporation and Lee Farkas, CEO Taylor, Bean & Whitaker Mortgage Corporation.

(3) The balance of the Purchase Price shall be payable upon the later of (i) one hundred twenty days (120) days after the Transfer Date, (ii) the date of Purchaser's receipt of the initial shipment of Mortgage Loan Files, (iii) receipt of all remaining Complete Mortgage Loan Files and documentation pertaining to the Mortgage Loans, and (iv) verification of Purchase Price calculation. Purchaser may withhold from such balance the amount of any outstanding advances made by Seller under the Servicing Contracts that Purchaser determines are not collectable, unless and until such advances are collected. Purchaser shall use its best efforts to accomplish (iv) in a timely manner which shall not exceed sixty (60) days.

(4) In the event Purchaser has not received all remaining Complete Mortgage Loan Files and related documentation pertaining to the Mortgage Loans within one hundred twenty (120) days after the Transfer Date, the remaining balance of the Purchase Price shall be released monthly to Seller commencing five (5) months following the Transfer Date on a pro-rata basis, based on the Complete Mortgage Loan Files received by Purchaser during the previous month subject to a minimum retention of $500,000 by Purchaser pending receipt of all remaining Complete Mortgage Loan Files and documentation with respect to the Transfer Date per Investor type. Seller will provide Purchaser with an exhibit of outstanding documents as of the Transfer Date. This exhibit, updated and provided to Purchaser monthly, will be the basis from which the monthly pro-rata release of Purchase Price to Seller will be determined, subject to Purchaser's confirmation.

(5) Within five Business Days following the Payoff Adjustment Date, Purchaser shall (i) provide Seller with a schedule of Payoff Loans; and (ii) Seller shall pay Purchaser an amount equal to the Purchase Price paid with respect to any Mortgage Loan which is prepaid within four (4) calendar months following the Sale Date.

(6) In the event that the transaction contemplated hereby fails to be consummated for any reason set out in Article VII or Article VIII of the Agreement, as applicable, (A) Seller shall promptly refund all monies paid by Purchaser to Seller, including interest thereon calculated at the Interest Rate; and

(B) Purchaser shall promptly refund to Seller any servicing fees collected by Purchaser with respect to the Mortgage Loans, including without limitation interest thereon calculated at the Interest Rate. Notwithstanding such refunds, each party shall retain all additional remedies available to it under this Agreement.

Unless otherwise agreed by the parties, all payments required hereunder shall be made by bank wire transfer in immediately available funds.

2.5 **Computation; Adjustment.**

It is understood and agreed that:

(a) All wiring instructions and Purchase Price information necessary to effect payment of the Purchase Price shall be provided to the appropriate party at least two Business Days prior to the date of payment.

(b) If the information concerning any of the Mortgage Loans used in computing the Purchase Price, or if computation of the Purchase Price, shall be found to be incorrect within ninety (90) days after the Transfer Date, the Purchase Price shall be promptly and appropriately adjusted and payment promptly made by the appropriate party.

(c) To the extent that Purchaser should determine that any advance made by Seller and reimbursed by Purchaser is non-recoverable under Applicable Requirements, Purchaser may deduct the amount of such reimbursed, non-recoverable advance from any payment of the Purchase Price under Section 2.4(b).

2.6 **Transfer of Escrow Deposits.**

(a) On or before the third Business Day following the Transfer Cutoff Date, Investor, and Seller (with respect to Buydown accounts only), shall wire transfer to Purchaser all Escrow Deposits related to the Escrow Accounts described in Section 1.17(ii) and (iii) (*i.e.*, T & I and Buydown accounts). Such transfer of funds shall be net of related, Seller-documented, recoverable T & I and foreclosure advances made by Seller or Investor to the extent that (i) such advances have been made in accordance with Applicable Requirements and the Transfer Instructions, and (ii) Seller or Investor provides Purchaser with detail reasonably satisfactory to support such advances.

(b)

(1) In the event that the scheduled remittance date for the Investor (hereinafter, "Investor Remittance Date") occurs four (4) or more Business Days following the Transfer Cutoff Date, Investor shall, no later than the third Business Day following the Transfer Cutoff Date, wire transfer to Purchaser all Escrow Deposits related to Escrow Accounts described in Section 1.17(i) (*i.e.*, P & I

accounts). Such transfer of funds shall be net of (A) Seller-documented P & I advances made by Seller or Investor, and (B) guaranty fees due Investor. Seller or Investor shall provide Purchaser with reasonably acceptable documentation supporting the transfer of funds. Such documentation shall include a detailed accounting, according to Transfer Date trial balances, of Seller's or Investor's P & I advances, guaranty fees and remittance funds due Investor with receipt of documentation at least five (5) Business Days prior to the scheduled remittance date. Purchaser shall be responsible for wiring such transferred funds to Investor on the Investor Remittance Date.

(2) In the event that the Investor Remittance Date occurs less than four (4) Business Days following the Transfer Cutoff Date, Seller shall, at least one (1) Business Day prior to such Investor Remittance Date, provide to Purchaser a satisfactory accounting of the related delinquent P & I payments netted against the related prepaid P & I payments. The final position of the netting process will determine in each instance whether net funds are to be wire transferred from Purchaser to Seller, or from Seller to Purchaser. The resulting wire transfer shall be made by the appropriate party no more than one (1) Business Day following receipt by Purchaser of such accounting.

2.7 **Reconciliation.**

No later than five (5) Business Days after Transfer Date, Seller shall fully reconcile on a loan level basis as of the Transfer Date (i) the reports generated by Seller's computers with respect to the applicable Escrow Accounts and advances with the reports generated by Seller's electronic data processing servicing system; and (ii) the reports of Seller's electronic data processing servicing system with Investor records and reports for the applicable Servicing Rights. Seller shall be responsible for any payments necessary to bring such Escrow Accounts and advances to full reconciliation.

2.8 **Flood Certification.**

Seller shall assign to Purchaser, at least fifteen (15) days before the Transfer Date, certified and guaranteed assignable, life of loan flood certifications with Fidelity National Flood Service (FNFS) or First American Flood Data Service, Inc. (FDSI) for each applicable Mortgage Loan. Seller shall pay any fees required to transfer such flood certifications from reputable flood vendors other than FNFS or FDSI to Purchaser in an amount not to exceed Two and 00/100 Dollars ($2.00) per Mortgage Loan. In the event that any such flood certification is not presently in full force and effect, not presently assignable to Purchaser or not with a provider acceptable to Purchaser, Seller agrees to reimburse Purchaser's expense to obtain a life of loan flood certification in an amount not to exceed Nineteen and 00/100 Dollars ($19.00) per Mortgage Loan.

2.9 **Update of Schedules and Exhibits.**

(a) At least five (5) Business Days prior to the Sale Date, Seller shall provide Schedules 3.5(c) – Schedule of Non-compliance with Insurance, Schedule 3.7 – Schedule of Litigation, 3.12 – Schedule of Recourse Servicing, 4.11 – Schedule of Condemnation/Forfeiture, Schedule 4.12 – Schedule of Uncertified Pools, Schedule 4.14 – Exception Loans, and Schedule 4.16 – Schedule of Soldiers and Sailors, and Exhibit A – Schedule of Mortgage Loans, Exhibit A-1 – Schedule of Delinquent Loans, Exhibit A-2 – Schedule of Deduction Loans, Exhibit C-Summary of Pools, Exhibit F – Opinion of Counsel, Exhibit G – Officer's Certificate, and Exhibit H – Appointment of Certain Officers.

(b) On the Sale Date, Seller shall deliver to Purchaser addenda to all Schedules provided for hereunder, updated based on the most current information available at that time. Within five (5) Business Days following the Sale Date, Seller shall deliver to Purchaser an addendum to Exhibit A, A-1 and A-2, updated as of the Sale Date.

ARTICLE III

General Representations and Warranties of Seller

As an inducement to Purchaser to enter into this Agreement, Seller represents and warrants, as of the Sale Date and through and including the Transfer Date, as follows:

3.1 Organization.

Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida.

3.2 Good Standing.

To the extent required by applicable law, Seller is qualified to transact business and is in good standing as a foreign corporation in all appropriate jurisdictions and to conduct all activities performed with respect to the origination and servicing of the Mortgage Loans.

3.3 Validity of Agreement.

Seller has full corporate power and authority to execute this Agreement, and any applicable Related Agreement. This Agreement constitutes, and any Related Agreement, when executed and delivered, will constitute the valid and binding obligation of Seller enforceable against it in accordance with its respective terms, subject to bankruptcy laws and other similar laws of general application affecting rights of creditors and subject to the application of the rules of equity, including those respecting the availability of specific performance. The execution, delivery and performance of this Agreement and any Related Agreement by Seller, its compliance with the terms hereof and thereof and consummation of the transactions contemplated hereby and thereby (assuming receipt of the various consents required pursuant to this Agreement) have been duly authorized by the directors of Seller and such execution and delivery does not require the consent, approval or authorization of any other person, public authority or other entity, subject to obtaining the approval of the Investor to the transfer of the Servicing.

3.4 No Conflict.

The execution and delivery of this Agreement and any Related Agreement by Seller and the performance of its obligations hereunder and thereunder (a) are not in violation or breach of, and will not conflict with or constitute a default under, any of the terms of the articles of incorporation or bylaws of Seller or any note, debt instrument, security agreement, lease, deed of trust or mortgage, license, franchise, permit or any other contract, agreement or commitment binding upon Seller or any of its assets or properties (including any of the Servicing Agreements) subject to obtaining the approval of the Investor to the transfer of the Servicing; (b) will not result in the creation or imposition of any lien, encumbrance, equity or restriction in favor of any third party upon any of the assets or properties of Seller; and (c) will not conflict with or violate

any applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court having jurisdiction over Seller or any of the assets or properties of Seller.

3.5 **Compliance with Applicable Requirements; No Default.**

(a) Seller has complied in all material respects with all Applicable Requirements or, prior to the Transfer Date, will have cured any such material non-compliance to bring it into compliance with Applicable Requirements in all material respects. Seller has done and Seller will do no act or thing which may adversely affect the Servicing. Seller has not received any notice of alleged violations of the foregoing.

(b) No event has occurred and is continuing which, under the provisions of such contracts or such other documents or agreements but for the passage of time or the giving of notice, or both, would constitute an event of default under any Servicing Agreement, and Seller has not received any notice of default or other information from any Investor, other than FNMA, that it has terminated any applicable Servicing Agreement or that it intends to do so.

(c) Except as disclosed on Schedule 3.5(c), to the Knowledge of Seller, there exists no noncompliance by Seller with Applicable Requirements which would cause the cancellation of any insurance coverage or guaranty, as applicable, provided with respect to any Mortgage Loan by any PMI company, FHA, or VA, as applicable.

3.6 **Title to the Servicing and Related Escrow Accounts.**

Investor, acting with Seller, is the lawful owner of the Servicing and custodian of the Escrow Accounts. Investor and Seller, acting jointly, have the right and authority to transfer the Servicing as contemplated hereby, subject only to the rights of the Investor. The transfer, assignment and delivery of the Servicing and of the Escrow Accounts in accordance with the terms and conditions of this Agreement shall vest in Purchaser all rights as servicer, free and clear of any and all claims, charges, defenses, offsets and encumbrances of any kind or nature whatsoever, including but not limited to those of Seller. Except as disclosed to and accepted by Purchaser, neither the Mortgage Loans nor the Servicing Rights have been, and continue to be, hypothecated, assigned, or pledged as collateral by Seller for any loan or for any other purpose.

3.7 **Litigation.**

Except as disclosed in Schedule 3.7 hereto, there is no claim, dispute, action, litigation, proceeding, investigation or inquiry, at law or in equity, involving Seller, its lending and/or servicing practices, the Servicing, the Mortgage Loans or any of Seller's assets or properties before any court, agency, authority, arbitration panel or other tribunal. Additionally, except as disclosed in Schedule 3.7 hereto, there is no claim, dispute, action, litigation, proceeding, investigation or inquiry existing or pending or to the Knowledge of Seller threatened, which could, if adversely decided, have a material adverse effect upon the condition (financial or otherwise), business, net worth, assets, properties, operations, or future prospects of Seller, or upon the Servicing or any other assets being purchased by Purchaser hereunder, nor, to the Knowledge of Seller, is there any basis for any such claim, dispute, action, litigation, proceeding,

investigation or inquiry. Seller is not subject to any order, writ, injunction or decree of any court, agency, authority, arbitration panel or other tribunal.

3.8 **Disclosure of Material Facts.**

The representations and warranties contained in Articles III and IV of the Agreement and in the Schedules hereto, and any other documents or information furnished to Purchaser by or on behalf of Seller, including, but not limited to any offering memorandum and data tapes, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained herein or therein not misleading.

3.9 **No Accrued Liabilities.**

There are no accrued liabilities of Seller with respect to the Mortgage Loans or the Servicing or circumstances under which such accrued liabilities will arise against Purchaser as successor to the Servicing, with respect to occurrences prior to the Transfer Date.

3.10 **Errors and Omissions and Fidelity Bond.**

Seller has in full force and effect an errors and omissions policy or policies and fidelity bond with respect to its servicing operations and a blanket bond in accordance with Investor requirements.

3.11 **No Adverse Selection.**

The Seller used no adverse selection procedures in selecting the Servicing Rights. Copies of each of the master commitments relating to the Servicing Agreements have been previously furnished or will be furnished to Purchaser prior to the execution of this Agreement, accompanied by a transmittal letter so identifying them.

3.12 **Non-Recourse Servicing.**

Except as disclosed in Schedule 3.12, the Servicing does not impose a Recourse Obligation on the Servicer, and Purchaser shall not be responsible to Seller or any other person for any losses sustained by Investors arising out of any foreclosure of any Mortgaged Property or the acquisition and subsequent holding or disposition of such Mortgaged Property, including without limitation third party expenses such as attorneys' fees and costs, special hazard losses (including earthquake-related losses), and restoration expenses, except to the extent that such losses are attributable to Purchaser's failure to perform Servicing as required by the Servicing Agreements after the Transfer Date.

3.13 **Settlement Agreement.**

Seller has not entered into any Settlement Agreement with respect to class action litigation that will bind Purchaser as Servicer of the Mortgage Loans or otherwise materially and adversely affect the Servicing.

3.14 Bulk Sales.

The consummation of the transactions contemplated by this Agreement is in the ordinary course of business of Seller, and the transfer, conveyance and assignment of the Servicing Rights to Purchaser by Seller pursuant to the Agreement are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

3.15 Qualifications.

Seller is in good standing and eligible as a mortgage lender and servicer under the applicable laws, rules, regulations and procedures promulgated by each of the states in which Seller originates or services mortgage loans. Seller is an approved FHLMC Seller/Servicer, and is a VA and FHA mortgagee in good standing.

ARTICLE IV

Representations and Warranties Relating to Mortgage Loans

As further inducement to Purchaser to enter into this Agreement, Seller represents and warrants to Purchaser as of the Sale Date and through and including the Transfer Date, with respect to each Mortgage Loan, as follows:

4.1 **Information.**

(a) All information contained in each Complete Mortgage Loan File, and in any Electronic Data File, with regard to loan origination and servicing activity is complete and accurate in all material respects, and all monies received with respect to each Mortgage Loan have been properly accounted for and applied. Each Complete Mortgage Loan File is complete in all material respects with regard to origination and servicing activity.

(b) The amount of the unpaid balance for each Mortgage Loan which is reflected on Exhibit A is true and correct as of the date of Exhibit A.

(c) All of the Mortgage Loans have servicing fees equal to or greater than twenty-five (25) basis points.

(d) Each Mortgage Loan is self-amortizing and there will be no principal amount owing to any Investor when the full amount scheduled to retire the indebtedness of each Mortgage Loan has been paid by the Mortgagor.

4.2 **Origination and Sale of Mortgage Loans.**

(a) Each Mortgage Loan has been originated and/or sold in accordance, in all material respects, with Applicable Requirements.

(b) The selling and origination representations and warranties made to Investors under the Servicing Agreements are true and correct in all material respects as of the date made.

(c) The full original principal amount of each Mortgage Note listed has been advanced to the Mortgagor.

4.3 **Enforceability.**

Each Mortgage Note and each Mortgage has been duly executed by the appropriate obligor and each is a valid and enforceable document, subject only to applicable antideficiency and bankruptcy statutes and to application of the rules of equity, and there are no defenses, setoffs or counterclaims against any Mortgage Loan.

4.4 **General Servicing of Mortgage Loans.**

(a) Each Mortgage Loan has been serviced in accordance in all material respects with Applicable Requirements.

(b) Seller has not taken any action or failed to take any action which might cause the cancellation of or otherwise affect any of the insurance contracts pertaining to Servicing of a Mortgage Loan (including without limitation PMI, FHA insurance or VA guaranty) or which might otherwise materially and adversely affect the Servicing. To the Knowledge of Seller, no prior servicer has taken any action or failed to take any action which might cause the cancellation of or otherwise affect any of the insurance contracts.

(c) None of the Servicing Agreements contains, in light of common industry practices as of the Transfer Date, any unusual or burdensome servicing obligations with respect to the Servicing Rights, or contains provisions which vary from published Applicable Requirements of the Investor, and no waivers with respect to any published or unpublished Applicable Requirements have been obtained which adversely affect the credit quality of any Mortgage Loan.

4.5 **Escrow Accounts.**

(a) All Escrow Accounts are maintained in accordance with Applicable Requirements. All Escrow Account balances required by the Mortgage Loan Documents and paid to Seller for the account of the Mortgagor and Seller are on deposit in the appropriate Escrow Accounts.

(b) All payments for taxes, assessments, ground rents, mortgage insurance, hazard and flood insurance or other payments made from the T & I Escrow Account have been made on a timely and accurate basis, and Seller has paid to the Mortgagor interest on Escrow Deposits only to the extent such payment is required by Applicable Requirements. Seller shall have properly conducted an escrow analysis for each Mortgage Loan within the twelve (12) month period immediately preceding the Transfer Date. All books and records with respect to each Mortgage Loan shall be in good condition and shall have been adjusted to reflect properly the results of the escrow analysis.

(c) Where applicable, Seller has notified each Mortgagor, in accordance with Applicable Requirements, as to any payment adjustments which resulted from an escrow analysis. Seller shall provide Purchaser with copies of any notices and analyses prepared in accordance with subsection 4.5(b) above.

(d) Every Escrow Account established with respect to a Buydown Loan has been fully funded by Seller, and not discounted to present value or otherwise.

4.6 **No Modifications.**

Except with respect to partial releases, actions required by a divorce decree, assumptions, or as otherwise permitted under Applicable Requirements, (a) the terms of each Mortgage Note

and Mortgage have not been modified by Seller, (b) no party thereto has been released in whole or in part by Seller and (c) no part of the Mortgaged Property has been released by Seller.

4.7 **Mortgage Insurance.**

As required by the Investor, the Mortgage Loans are validly insured by mortgage insurance, and all premiums or other charges due in connection with such insurance have been paid.

Each Mortgage Loan which is represented by Seller to have FHA insurance is insured, pursuant to the National Housing Act. Each Mortgage Loan which is represented by Seller to be guaranteed by the VA is fully guaranteed under the provisions of Chapter 37 of Title 38 of the United States Code and backed by an individual certificate of eligibility with full initial entitlement. As to each mortgage insurance or guaranty certificate, all applicable provisions of the insurance or guaranty contract and federal statutes and regulations have been satisfied, all premiums or other charges due in connection with such insurance or guaranty have been paid, to the Knowledge of Seller there has been no act or omission which would or may invalidate any such insurance or guaranty with respect to Purchaser, and the insurance or guaranty is, or when issued, will be, in full force and effect with respect to each Mortgage Loan. There are no defenses, counterclaims, or rights of set-off against Seller affecting the validity or enforceability of any mortgage insurance or guaranty with respect to a Mortgage Loan.

4.8 **Hazard Insurance.**

There is in force with respect to each Mortgaged Property a hazard insurance policy that provides, at a minimum, for fire and extended coverage in an amount which is the greater of (i) eighty percent (80%) of the insurable value of the improvements, as established by the property insurer or (ii) such other amount as may be required by Applicable Requirements. If required by the Flood Disaster Protection Act of 1973, as amended, or by the Investor, each Mortgaged Property is and will be covered by a flood insurance policy in an amount not less than the lesser of (i) the minimum amount required, under the terms of the coverage, for any damage or loss on a replacement cost basis or the outstanding principal balance of the Mortgage Loan if replacement cost coverage is not available for the type of building insured, or (ii) the maximum amount of insurance that is available under the National flood Insurance Administration program, as amended.

4.9 **Condition of Mortgaged Property; Casualties.**

(a) There exists no damage to any Mortgaged Property from fire, windstorm, earthquake, other casualty, environmental hazard, or any other circumstances or conditions that would cause the related Mortgage Loan to become delinquent or otherwise materially and adversely affect the value or marketability of such Mortgage Loan or related Mortgaged Property. Notwithstanding anything to the contrary contained in this Section, to the extent that timely repairs are presently being undertaken utilizing casualty insurance proceeds pursuant to an insurance claim which is being timely processed with the insurance company, such repairs shall not constitute a breach of this warranty *provided, however,* that upon completion of such repairs,

the collateral value of the repaired Mortgaged Property shall not be diminished materially from its value prior to such casualty loss.

(b) There are (i) no uninsured casualty losses and (ii) no insured casualty losses relating to any Mortgaged Property where coinsurance has been, or Seller has reason to believe it will be, claimed by the insurance company or where the loss, exclusive of contents, is greater than the net recovery from the fire insurance carrier. Casualty insurance proceeds paid with respect to a Mortgage Loan have been used either to reduce the Mortgage Loan balance or for the purpose of making repairs to the Mortgaged Property. Unless such insurance proceeds have been used to reduce the Mortgage Loan balance, all damage with respect to which casualty insurance proceeds have been received by or through Seller has been properly repaired or is in the process of being repaired with such proceeds.

(c) To the Knowledge of Seller, neither Seller nor any prior servicer is or has engaged in any activity that involves or involved the generation, use, manufacture, treatment, transportation, storage in tanks or otherwise, or disposal of Hazardous Material on or from any Mortgaged Property and no presence, release, threatened release, discharge, spillage or migration of Hazardous Material in violation of existing Applicable Requirements, is occurring or has occurred on or from any such Mortgaged Property.

4.10 **Lien Priority; Title Insurance.**

As required by Applicable Requirements, a title policy or attorney's opinion as to title, as the case may be, has been issued and is currently in effect for each Mortgage Loan insuring that the related Mortgage is a valid first lien on the Mortgaged Property which has not been modified, and that such Mortgaged Property is free and clear of all encumbrances and liens having priority over the first lien of the Mortgage, except for liens for real estate taxes and special assessments not yet due and payable and except for easements and restrictions of record identified in such title policy.

4.11 **Condemnation; Forfeiture.**

Except as disclosed in Schedule 4.11 hereto, to the Knowledge of Seller, no Mortgaged Property has been or will be subject to an action seeking condemnation or forfeiture of such Mortgaged Property.

4.12 **Custodial Files.**

Except as disclosed in Schedule 4.12 hereto, the Custodial Files for each Mortgage Loan will contain, upon transfer of the Servicing Rights to Purchaser, all items required by Investor regulations for the certification of each and every Pool, and each and every Pool will be in compliance with all Investor requirements and guidelines. Except as disclosed in Schedule 4.12 hereto, all Pools have been certified in accordance with, and the securities backed by such Pools are issued on uniform documents promulgated in, the Investor Guide without any material deviation therefrom. All Pools shall be, when transferred to Purchaser, eligible for recertification by Custodian, and Seller will be responsible for cure of any deficiencies necessary for

recertification. All Pool balances have been reconciled. The principal balances outstanding and owing on the Mortgage Loans in each Pool equal or exceed the amounts owing to the security holders of each Pool. It is understood that any deficiencies in the Pool certifications will be cured at the sole cost and responsibility of the Seller and in the time frame required under Investor guidelines for such cure.

4.13 **Exception Loans.**

No Mortgage Loan possesses any of the following characteristics: (a) is subject to a bi-weekly payment plan, (b) is secured by manufactured housing that is not affixed to a permanent structure, (c) is a reverse mortgage loan or home equity line of credit, (d) is a graduated payment loan that is still in the adjustment period of loan, (e) is a housing authority loan, (f) is a second mortgage, (g) is a loan originated under the National Housing Affiliate Network and Home SOS Program, Inc., (h) is a subprime or "A Minus" credit quality loan, (i) is a "high cost" mortgage loan under Section 32 of the Truth-In-Lending Act as amended by the Home Ownership and Equity Protection Act or any similar state law, (j) finances any single-premium credit insurance coverage, (k) provides for negative amortization, (l) contains a mandatory arbitration clause, (m) provides for increased interest rate in the event of default, (n) is a conventional loan which has a loan-to-value ratio exceeding one hundred percent (100%), (o) is a participation loan, (p) is subject to a captive re-insurance program, (q) is a loan contained in a security subject to an acceleration without an event of default, (r) is subject to a credit enhancement agreement, (s) is an interest in advance loan, or (t) is subject to a pool insurance agreement.

4.14 **Investor Repurchase and Indemnification.**

Except as disclosed in Schedule 4.14 hereto, no Mortgage Loan is subject to (a) a pending or potential request (including initial inquiries) for either repurchase or indemnification by an Investor; (b) an Investor indemnification agreement, and/or (c) an Investor determination of Significant Underwriting Deficiency.

4.15 **Fraud.**

To the Knowledge of Seller, no fraudulent action, error, omission, misrepresentation, negligence, or similar occurrence with respect to a Mortgage Loan has taken place on the part of any person, including without limitation Seller, the lender originating the Mortgage Loan, any mortgage broker, the Mortgagor, any appraiser, any builder or developer or any other party involved in (a) the origination of the Mortgage Loan or (b) the application of any insurance proceeds with respect to a Mortgage Loan, Mortgaged Property or REO Property.

4.16 **Soldiers and Sailors.**

Except as disclosed in Schedule 4.16 hereto, Seller has not received notice from any Mortgagor or other party with respect to a Mortgage Loan of a request for relief pursuant to or invoking any of the provisions of the Soldiers and Sailors Relief Act of 1940 or any similar law which would have the effect of suspending or reducing the Mortgagor's payment obligations under a Mortgage Loan or which would prevent such loan from going into foreclosure.

4.17 **Compliance.**

Seller shall be in compliance with all its obligations under its previous servicing Purchase and Sale Agreements with Purchaser, as amended, including without limitation its obligations (i) to repurchase certain mortgage loans at Purchaser's discretion, (ii) to take all actions necessary and appropriate to insure that all GNMA pools will be eligible for certification (iii) that all related initial insurance payments have been paid, and (iv) all FHA case files have been submitted in a manner sufficient for the issuance of mortgage insurance certificates for each Mortgage Loan.

ARTICLE V

Representations and Warranties of Purchaser

As an inducement to Seller to enter into this Agreement, Purchaser represents and warrants, as of the Sale Date, and through and including the Transfer Date, as follows:

5.1 Organization.

Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

5.2 Good Standing.

To the extent required by applicable law, Purchaser is qualified to transact business and is in good standing as a foreign corporation in all appropriate jurisdictions and to conduct all activities to be performed with respect to the servicing of the Mortgage Loans.

5.3 Validity of Agreement.

Purchaser has full corporate power and authority to execute this Agreement and any applicable Related Agreement. This Agreement constitutes, and any Related Agreement, when executed and delivered, will constitute the valid and binding obligation of Purchaser enforceable against it in accordance with its terms, subject to bankruptcy laws and other similar laws of general application affecting rights of creditors and subject to the application of the rules of equity, including those respecting the availability of specific performance. The execution, delivery and performance of this Agreement and any applicable Related Agreement by Purchaser, its compliance with the terms hereof and thereof and consummation of the transactions contemplated hereby and thereby (assuming receipt of the various consents required pursuant to this Agreement) have been duly authorized by the directors of Purchaser.

5.4 No Conflict.

The execution and delivery of this Agreement and any applicable Related Agreement by Purchaser and the performance of its obligations hereunder and thereunder (a) are not in violation or breach of, and will not conflict with or constitute a default under, any of the terms of the articles of incorporation or bylaws of Purchaser or any note, debt instrument, security agreement, lease, deed of trust or mortgage, license, franchise, permit or any other contract, agreement or commitment binding upon Purchaser or any of its assets or properties subject to obtaining the approval of the Investor to the transfer of the Servicing; (b) will not result in the creation or imposition of any lien, encumbrance, equity or restriction in favor of any third party upon any of the assets or properties of Purchaser; and (c) will not conflict with or violate any applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court having jurisdiction over Purchaser or any of the assets or properties of Purchaser.

5.5 **Qualifications.**

Purchaser is in good standing and eligible as a mortgage lender and servicer under the applicable laws, rules, regulations and procedures promulgated by each of the states in which Purchaser originates or services mortgage loans. Purchaser is an approved FNMA Seller/Servicer and VA and FHA mortgagee in good standing.

ARTICLE VI
Approvals

6.1 Seller's Obligations.

(a) Seller shall request and shall do all things appropriate to secure the approval of the Investors and such other parties requiring approval to transfer the Servicing Rights, together with all Custodial Files and Escrow Accounts to Purchaser.

(b) Seller shall satisfy all Investor requirements to transfer effectively the Servicing Rights from Seller to Purchaser and pay and bear any and all fees imposed by Investors to effect the transfer, including, but not limited to, the transfer fee.

(c) Seller will file for the period through and including the Transfer Cutoff Date all required reports including but not limited to reports to all governmental agencies having jurisdiction over the Servicing (including without limitation FHA and VA) and all appropriate PMI companies.

6.2 Purchaser's Obligations.

Purchaser shall cooperate with and assist Seller in obtaining the approval of the Investors, and shall provide all financial and other information typically required by the Investors for approval of a transfer of servicing.

ARTICLE VII

Conditions Precedent to Obligations of Purchaser

The obligations of Purchaser hereunder shall be subject to satisfaction of each of the following conditions, except as Purchaser may waive the same in writing in accordance with Section 11.6 of the Agreement:

7.1 **FNMA Approval.**

(a) Delivery by Seller to Purchaser of written approval from FNMA for the transfer of the Servicing Rights from Seller to Purchaser prior to the Transfer Date; and

(b) Acceptance by Purchaser of any and all conditions or restrictions which may be imposed by FNMA on the sale and assignment of Servicing Rights by Seller to Purchaser.

7.2 **Certifications.**

As of the Transfer Date, each Pool, the Servicing Rights to which are to be transferred to Purchaser, shall have been certified and shall be recertifiable by Custodian in accordance with all Investor requirements and procedures. Seller shall provide Purchaser with copies of such custodial certifications.

7.3 **Representations.**

The representations and warranties made by Seller and Investor in this Agreement are true and correct in all material respects and shall continue to be true and correct in all material respects on the Sale Date and the Transfer Date.

7.4 **Compliance with this Agreement.**

All of the terms, covenants, and conditions of this Agreement (including the Transfer Instructions), required to be complied with and performed by Seller at or prior to the Transfer Date shall have been duly complied with and performed in all material respects.

7.5 **Interest Paid.**

As of the Transfer Date, Seller shall have paid interest on Escrow Accounts for the period ending on the Transfer Cutoff Date to the extent required by Applicable Requirements, and shall have paid any interest shortfall between the amount of interest collected and the amount of interest required to be remitted to security holders, including without limitation interest payable on pay-offs and curtailments.

7.6 **Additional Documentation.**

Purchaser and Seller shall have approved and accepted any and all documentation which

may be reasonably required to effectuate the sale and assignment of Servicing to Purchaser.

7.7 **Documentation and Files; Compliance.**

Without in any way limiting the representations, warranties, indemnities, and other covenants of Seller under this Agreement, Purchaser shall have determined that:

(a) the books, records and accounts of Seller with respect to the Servicing are in order pursuant to Applicable Requirements, and the information provided to Purchaser in connection with the Servicing is true and correct;

(b) the Mortgage Loans meet Purchaser's credit underwriting and quality control standards, and Seller's servicing and origination practices are satisfactory to Purchaser;

(c) any pending class action litigation against Seller, and any settlement or consent decree entered into by Seller with respect to class action litigation, will not have a material adverse effect on the Servicing; and

(d) the types of Mortgage Loans and the associated servicing obligations and requirements are acceptable to Purchaser.

7.8 **Corporate Resolution.**

A Secretary's Certificate of Seller, together with a corporate resolution approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, in form and substance acceptable to Purchaser, shall be delivered to Purchaser no later than the Sale Date.

7.9 **Opinion.**

An Opinion of Counsel of the Seller in the form attached as Exhibit F to this Agreement, shall be delivered to Purchaser no later than the Sale Date.

7.10 **Officer's Certificate.**

An Officer's Certificate of a senior officer of the Seller in the form attached as Exhibit G to this Agreement, shall be delivered to Purchaser no later than the Sale Date.

7.11 **UCC Search Results.**

In the event any UCC financing statement obtained by Purchaser shows Seller (or any Affiliate of Seller) as Debtor and refers or relates to, in the opinion of Purchaser and its counsel, any of the Servicing Rights or Escrow Accounts, Seller shall obtain from the Secured Party shown on such UCC financing statements and deliver to Purchaser on or before the Sale Date a release or termination of such UCC financing statements in a form acceptable to Purchaser and the applicable filing office.

7.12 **Material Adverse Change.**

There shall have been no material adverse change in the condition (financial or otherwise), business, net worth, assets (including without limitation the Servicing, the Escrow Accounts or the Mortgage Loans), properties, operations or future prospects of Seller, and there shall not have been any occurrence circumstance or combination thereof, whether arising heretofore or thereafter, including litigation pending or threatened, which might reasonably result in any such material adverse change before or after the Sale Date.

7.13 **No Litigation.**

There shall (a) have been no order, decree or ruling issued or any other action taken by any court of competent jurisdiction or other governmental authority, which has become final and nonappealable, restraining, enjoining or otherwise prohibiting the transactions to be consummated hereunder; and/or (b) be no litigation or proceeding pending against Seller or Purchaser, which if decided adversely to such party would materially and adversely affect the Servicing or the Mortgage Loans and which, in the judgment of Purchaser, would make the consummation of the transaction to be consummated hereunder inadvisable. There shall be no governmental investigation or inquiry pending or threatened which, in the judgment of Purchaser, might lead to or result in any litigation or proceeding of the nature referred to in the foregoing sentence.

7.14 **Bulk Sales.**

Seller shall have complied in all material respects with the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction, and all related waiting periods shall have expired without the receipt of any notices of claims.

7.15 **Fundamental Changes.**

Prior to the Sale Date, there shall have been no public announcement of any sale, merger, acquisition, consolidation or change of control affecting Seller and/or substantially all of the assets of Seller.

7.16 **Hart-Scott-Rodino.**

(a) Seller and its parent shall prepare and file, and shall in all respects cooperate with Purchaser and its parent in the preparation and filing of, any documents required in connection with providing notification to the Federal Trade Commission ("FTC") and the Antitrust Division of the Department of Justice of the transactions contemplated hereunder, and shall respond, or cooperate in responding, to any inquiry made by either with respect to such transactions; and

(b) Any waiting period following such a filing shall have expired without governmental action or shall be the subject of early termination by FTC.

7.17 **Appointment of Certain Officers.**

An Appointment of Certain Officers executed by Seller, in the form attached as Exhibit H to this Agreement, shall be delivered to Purchaser no later than the Sale Date.

7.18 **Due Diligence Expense.**

Seller shall be obligated to pay Purchaser's due diligence expenses including without limitation fraud audits. Such audits shall be performed as deemed necessary by Purchaser in its sole discretion.

7.19 **Non-satisfaction of Condition.**

In the event any of the foregoing conditions have not been satisfied, Purchaser may, upon written notice to Seller terminate this Agreement. Upon such a termination, Seller shall promptly refund, by wire transfer of immediately available funds, any portion of the Purchase Price or any other amount paid by Purchaser to Seller hereunder together with interest calculated at the Interest Rate. Such interest shall cover the period commencing with the Business Day of Seller's receipt of the payments and ending the Business Day prior to Purchaser's receipt of the refund. Notwithstanding any such termination of the Agreement, if the nonsatisfaction of the conditions of sale contained in this Section 7.19 is the fault of Seller, Purchaser shall be entitled to obtain reimbursement from Seller of all actual losses, costs, or expenses incurred by Purchaser as a result of such failure, including without limitation Purchaser's expenses incurred in the performance of its due diligence review.

ARTICLE VIII
Conditions Precedent to Obligations of Seller

The obligations of Seller hereunder shall be subject to satisfaction of each of the following conditions, except as Seller may waive the same in writing in accordance with Section 11.6 of the Agreement:

8.1 **FNMA Approval.**

(a) Receipt by Seller of written approval from FNMA for the transfer of the Servicing Rights from Seller to Purchaser prior to the Transfer Date; and

(b) Acceptance by Seller of any and all conditions or restrictions which may be imposed by FNMA on the sale and assignment of Servicing Rights by Seller to Purchaser.

8.2 **Representations.**

The representations and warranties made by Purchaser in this Agreement are true and correct in all material respects and shall continue to be true and correct in all material respects on the Sale Date and the Transfer Date.

8.3 **Compliance with this Agreement.**

All of the terms, covenants, and conditions of this Agreement, (including the Transfer Instructions), required to be complied with and performed by Purchaser at or prior to the Transfer Date shall have been duly complied with and performed in all material respects.

8.4 **Additional Documentation.**

Purchaser and Seller shall have approved and accepted any and all documentation which may be reasonably required to effectuate the sale and assignment of Servicing to Purchaser.

8.5 **Corporate Resolution.**

A Secretary's Certificate of Purchaser, together with a corporate resolution approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, in form and substance acceptable to Seller, shall be delivered to Seller no later than the Sale Date.

8.6 **Hart-Scott-Rodino.**

(a) Purchaser and its parent shall prepare and file, and shall in all respects cooperate with Seller and its parent in the preparation and filing of, any documents required in connection

with providing notification to FTC and the Antitrust Division of the Department of Justice of the transactions contemplated hereunder, and shall respond, or cooperate in responding, to any inquiry made by either with respect to such transactions; and

(b) any waiting period following such a filing shall have expired without governmental action or shall be the subject of early termination by FTC.

8.7 **No Litigation.**

There shall have been no order, decree or ruling issued or any other action taken by any court of competent jurisdiction or other governmental authority against or involving the Purchaser. which has become final and nonappealable, restraining. enjoining or otherwise prohibiting the transactions to be consummated hereunder.

8.8 **Non-satisfaction of Condition.**

In the event any of the foregoing conditions have not been satisfied, Seller may, upon written notice to Purchaser, terminate the Agreement. Upon such a termination, Seller shall promptly refund, by wire transfer of immediately available funds, any portion of the Purchase Price or any other amount paid by Purchaser to Seller hereunder together with interest calculated at the Interest Rate. Such interest shall cover the period commencing with the Business Day of Seller's receipt of the payments and ending the Business Day prior to Purchaser's receipt of refund. Notwithstanding any such termination of the Agreement, if the non-satisfaction of the conditions of sale contained in this Section 8.8 is the fault of Purchaser, Seller shall be entitled to obtain reimbursement from Purchaser of all actual losses, costs, or expenses incurred by Seller as a result of such failure.

ARTICLE IX
Covenants

9.1 Mutual Cooperation.

To the extent possible, each of the parties hereto shall cooperate and assist the other, as requested, in carrying out the other's covenants, agreements, duties and responsibilities under this Agreement, and in connection therewith, shall from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such additional instruments, assignments, endorsements, papers, documents and instruments as may be necessary and appropriate to further express the intention, or to facilitate the performance, of this Agreement during the term hereof. The parties agree to use commercially reasonable efforts to effectuate the transfer of Servicing contemplated herein in accordance with MBA-approved industry standards for servicing transfers, and with Investor requirements for the transfer of servicing.

9.2 Assignments.

(a) Seller shall take such actions as may be necessary to transfer all its right, title, and interest in and to the Mortgage Loans and the Servicing to Purchaser, including but not limited to assigning the Mortgages securing the Mortgage Loans to Purchaser in accordance with the specifications of the Transfer Instructions, procuring recorded intervening assignments of Mortgages from prior servicers or third party originators to Seller, or other transfer documents, as needed, preparing, filing and recording all assignments of Mortgages from Seller to Purchaser as required, preparing and executing all assignments of Mortgages from Purchaser to Investor, in recordable form, on Purchaser's behalf as required, and properly endorsing the Mortgage Notes to Purchaser without recourse.

(b) As applicable, if any of the Mortgage Loans are registered with MERS, Seller shall take such actions as may be necessary to transfer all of its right, title, and interest in and to the Mortgage Loans and the Servicing to MERS, for registration in the name of Purchaser in accordance with the Transfer Instructions. Such actions may include procuring recorded intervening assignments of Mortgages from prior servicers or third party originators to Seller, or other transfer documents, as needed; preparing, filing and recording all assignments of Mortgages from Seller to MERS, to the extent not previously completed, and properly endorsing the Mortgage Notes to Purchaser without recourse and from Purchaser in blank and as otherwise required by Applicable Requirements.

9.3 Transfer Costs.

Seller shall pay all costs associated with the transfer of the Servicing to Purchaser, including without limitation, (a) costs of securing Investor approval, and of any transfer fees due Investors; (b) custodian fees through the Transfer Date; (c) costs related to compliance with Section 9.2 above; (d) costs of transfer of each Custodial File to Custodian (excluding Purchaser's custodial fees); (e) an cost associated with Seller's obligation for providing, per the

Transfer Instructions, in an electronic format, all information necessary to discharge a mortgage lien upon payoff or liquidation; (f) any costs associated with the Seller's obligation to complete the automated transfer of Servicing to Purchaser, including but not limited to Seller's data processing costs, with respect to preparation of the Electronic Data File and conversion of Complete Mortgage Loan Files (including tax and insurance information) to Purchaser's data processing system; (g) costs associated with the shipment and delivery of Complete Mortgage Loan Files and information to Purchaser pursuant to the Transfer Instructions, and (h) costs associated with preparation and submission by Seller of transfer notifications to hazard/flood carriers, PMI carriers, Pool insurers, borrowers (excluding Purchaser's "Hello" letters), tax authorities, tax service companies, HUD, FHA, RHS and VA. Seller shall bear the risk of loss or damage to Complete Mortgage Loan Files and/or Custodian Files until receipt of such files by Purchaser or Custodian, as applicable.

9.4 Tax Service Contracts.

Seller shall provide, at no cost to Purchaser, tax service contracts from First American Real Estate Tax Service with respect to all Mortgage Loans transferred to Purchaser and shall comply with those provisions of the Transfer Instructions pertaining to tax service contracts. Seller shall reimburse Purchaser for its expense to transfer existing contracts to Purchaser in an amount not to exceed Three and 50/100 Dollars ($3.50) per Mortgage Loan. In the event any such tax service contract is not presently in full force and effect, Seller shall reimburse Purchaser for its expense incurred in obtaining such tax contract in an amount not to exceed Eighty-five and 00/100 Dollars ($85.00) per Mortgage Loan.

9.5 Form 1099, Form 1098-Seller's Obligation.

Seller shall mail, on or before the date required by law, IRS Form No. 1099 to all parties entitled to receive interest on Escrow Accounts for all periods ending on or before the Transfer Cutoff Date, where applicable, as well as IRS Form No. 1098 to each Mortgagor for all periods ending on or before the Transfer Cutoff Date.

9.6 Form 1099, Form 1098-Purchaser's Obligation.

Purchaser shall mail, on or before the date required by law, IRS Form No. 1099 to all parties entitled to receive interest on Escrow Accounts for all periods after the Transfer Cutoff Date, where applicable, as well as IRS Form No. 1098 to each Mortgagor for all periods after the Transfer Cutoff Date.

9.7 Reimbursement of Costs and Expenses.

Seller shall reimburse Purchaser for its reasonable costs and expenses incurred which are necessary (a) to bring the Servicing into compliance with the Transfer Instructions or Investor specifications, and/or (b) to resolve servicing issues arising prior to the Transfer Date. In addition, in the event that any advance reimbursed to Seller pursuant to Section 2.4 is subsequently determined to be non-recoverable under Applicable Requirements, Seller shall reimburse Purchaser in the amount of such advance.

9.8 **Payment of Interest.**

Seller shall be responsible through the Transfer Cutoff Date for (a) payment of any interest on Escrow Accounts, to the extent required by law, and for posting such payments to individual Mortgagors' accounts, and (b) payment of any interest shortfall between the amount of interest collected and the amount of interest required to be remitted to Investors, including without limitation interest payable on pay-offs and curtailments, where applicable. In the event that Purchaser determines that Seller or Investor has paid interest on Escrow Accounts in jurisdictions where such payment is not required by law, or exceeds any payment required by law, Purchaser shall have the right to adjust the Purchase Price accordingly.

9.9 **Post-transfer Payments.**

All monies received by Seller after the Transfer Date relating to the Mortgage Loans and the Escrow Accounts shall be promptly turned over to Purchaser for distribution in accordance with the respective Servicing Agreements and until so remitted shall be held in trust for Purchaser and segregated from all other assets of Seller.

9.10 **Retention of Documents; Post-transfer Support.**

Subsequent to the Transfer Date, Seller will provide for Purchaser, upon request, history ledgers, canceled checks, vouchers, bills and other pertinent documents to assist Purchaser in disputes with outside agencies (*e.g.*, taxing authorities, PMI companies, hazard insurance companies, etc.). Seller shall provide such documentation within five (5) Business Days of written request by Purchaser. Following the Transfer Date, Seller shall make available servicing personnel qualified to assist Purchaser in the resolution of post-transfer issues. In addition, Seller shall dedicate sufficient personnel to complete recertification of Mortgage Loan Pools subject to Applicable Requirements.

9.11 **Bulk Transfer Laws Compliance.**

Seller shall comply with all requirements of applicable laws relating to the transfer of assets in bulk, including the Uniform Commercial Code-Bulk Transfers and any similar statutory provisions in effect in any applicable jurisdiction, and shall provide any and all notices which may be required to ensure that the transfer of the Servicing to Purchaser hereunder is not subject to any defect by reason of non-compliance with any such requirements.

9.12 **Financial Statements.**

Seller shall furnish to Purchaser, as soon as available and in any event within ninety (90) days after the close of Seller's fiscal year each fiscal year through and including five (5) fiscal years immediately following the Sale Date, audited financial statements accompanied by a certificate signed by the chief financial officer of Seller stating that said financial statements fairly and accurately present the financial condition and results of operations of Seller (and, if applicable, its Affiliates) as at the end of, and for, such year. All financial statements furnished to Purchaser hereunder shall be prepared in accordance with GAAP, applied on a consistent basis. From time to time, through and including the next five (5) fiscal years and with reasonable

promptness, Seller shall furnish such further information regarding the business, operations, properties or financial condition of Seller as Purchaser may reasonably request.

9.13 **Antitrust Matters.**

In the event that at any time it is determined that the transactions contemplated hereby are not exempt from the requirements of the Hart-Scott-Rodino Act, Seller and Purchaser shall prepare and file, and shall in all respects cooperate with each other in the preparation and filing of, any documents required in connection with providing notification to the Federal Trade Commission and the Antitrust Division of the Department of Justice of the transactions contemplated hereunder, and shall respond, or cooperate in responding, to any inquiry made by either with respect to such transactions. Seller and Purchaser shall share equally in any and all filing fees relating to satisfaction of the requirements of the Hart-Scott- Rodino Act and the regulations thereunder.

9.14 **Public Announcement.**

The timing and content of any press release or other public announcement relating to the transactions contemplated by this Agreement shall be subject to the approval of Seller and Purchaser.

9.15 **Certain Notifications.**

Each party shall promptly notify the other in writing of the occurrence of any event which will or could reasonably be expected to result in the failure to satisfy any of the conditions to the obligations of such other party specified in Article VII or VIII of the Agreement, as the case may be, of the Agreement.

ARTICLE X
Indemnification and Remedies

10.1 Indemnification by Seller.

Seller will and hereby does indemnify and hold Purchaser and any Affiliate of Purchaser and their respective officers, directors and employees harmless from and against any and all losses, damages, deficiencies, claims, liabilities, judgments, verdicts, causes of action, costs or expenses of any nature (including reasonable attorneys' fees and expenses, and/or Purchaser's direct internal costs) (collectively, "Losses"):

(a) Resulting from or arising out of any breach of any representation and/or warranty of Seller contained in this Agreement, in any Related Agreement, or in any exhibit, schedule, statement or certificate furnished by Seller pursuant to this Agreement. Seller shall indemnify Purchaser as set forth in this Section 10.1 for breaches of representations and warranties regardless of any qualifications as to materiality or the Knowledge of Seller concerning the truth or accuracy of such representations and warranties when made. Seller's indemnity includes Losses arising out of or resulting from any acts or omissions or practices of Seller and further including any acts or omissions or practices of Seller that are continued by Purchaser concerning the administration of escrow accounts or ARM Loans or the misapplication of principal and interest payments. Furthermore, (i) Seller shall indemnify Purchaser for all costs and expenses, including individual Mortgage Loan account adjustments if required, associated with an ARM Loan audit of all ARM Loans for which an error in ARM servicing practices is uncovered and (ii) Seller shall indemnify Purchaser for all costs and expenses, including individual Mortgage Loan account adjustments if required, associated with an ARM Loan audit of all ARM Loans in the transfer if an error rate greater than 10% of all ARM Loans is uncovered;

(b) Resulting from or arising out of the breach of any covenant or obligation (including without limitation those contained in the Transfer Instructions) of Seller contained in this Agreement or in any Related Agreement;

(c) Resulting from or arising out of any Defect in any Mortgage Loan existing as of the Sale Date or Transfer Date (including those Defects subsequently discovered), or as a result of any act or omission of Seller prior thereto;

(d) Resulting from or arising out of any and all items listed as exceptions to Seller's representations and warranties on the Schedules attached to, or otherwise made a part of, this Agreement (including without limitation updated Schedules); or

(e) Resulting from or arising out of any litigation pending or threatened against Purchaser arising out of events occurring on or prior to the Transfer Date in connection with the Seller's actions or practices with respect to the origination and/or servicing of any Mortgage Loan.

10.2 **Repurchase; Purchaser's Remedies.**

(a) If, at the Transfer Date, or subsequent thereto but prior to recertification by the Custodian, there is a Defect in any Mortgage Loan or Pool which constitutes a breach of the representations and warranties made in Section 4.12 of the Agreement (a "Certification Defect"), Seller shall use its reasonable best efforts to cure, to Purchaser's or Investor's satisfaction, such Certification Defect as soon as reasonably practicable, but not later than two hundred forty (240) days from its receipt of notice of the existence thereof, or such shorter period as may be required under Applicable Requirements, such cure period subject to extension by consent of the Purchaser, which consent shall not unreasonably be withheld. To the extent that any Certification Defect should remain uncured for a period of more than 240 days following Seller's receipt of notice thereof, Seller shall, commencing on the 240th day following receipt of such notice, pay Purchaser an administrative charge of Five Dollars ($5.00) with respect to each Mortgage Loan for each month in which such Certification Defect remains uncured. Seller agrees to notify Purchaser as soon as is reasonably practicable if such Certification Defect is not curable. If the Certification Defect is not cured by the applicable recertification deadline, Purchaser shall have the remedies set forth in this Article X including without limitation rights of repurchase (at the Repurchase Price) and indemnification.

(b) Notwithstanding anything to the contrary contained hereinabove, in the event of (i) a PMI denial or rescission of coverage, (ii) an Investor repurchase or make-whole request, (iii) an Investor determination of Significant Underwriting Deficiency with respect to a Mortgage Loan or (iv) there exists a basis to demand indemnification under Section 10.1 that materially and adversely affects the value or marketability of the related Mortgage Loan or Servicing Rights, which in each case arises out of results from the origination, delivery or servicing of the Mortgage Loan prior to the Transfer Date, Purchaser shall use commercially reasonable efforts to provide Seller with written notice of such denial, rescission, request or determination within ten (10) Business Days following Purchaser's receipt of such notice. Seller shall have an opportunity to cure the defect or condition giving rise to such denial, rescission, request or determination and/or negotiate with the Investor or PMI carrier for a cure period to be calculated as the lesser of sixty (60) days from Seller's receipt of such notice, or such lesser period as may be required by the Investor or PMI carrier. If, upon expiration of any applicable cure period, such defect or condition has not been cured in the sole and absolute discretion of the Investor or PMI carrier, then Seller shall, at Purchaser's option, (i) repurchase the related Mortgage Loan or Mortgage Loans for the Repurchase Price, or, in the case of an Investor make-whole request, pay to Purchaser the Repurchase Price, (ii) subject to Investor consent, repurchase the Servicing Rights pertaining to the related Mortgage Loan or Mortgage Loans at a price to be calculated as the product of the applicable Purchase Price Percentage and the then-outstanding unpaid principal balance of such Mortgage Loan plus an administrative fee in the amount of Five Hundred Dollars ($500.00), or (iii) in the case of a Significant Underwriting Deficiency, agree to provide the remedy described in subsection (i) above upon demand by Purchaser at such future time as

Purchaser may, in its sole discretion, elect. Notwithstanding anything to the contrary contained in this section, any failure by Purchaser to provide timely notice to Seller of any such denial, rescission, request or determination affecting a Mortgage Loan shall not in any event be construed to limit remedies available to Purchaser under Section 10.1 of the Agreement.

(c) Seller shall, within thirty (30) Business Days of repurchase of a Mortgage Loan or REO Property under sub-section (a) or (b) above, assume servicing responsibilities or provide for transfer of Servicing with respect to such repurchased Mortgage Loan or REO Property to a fully qualified and approved servicer. In the event of repurchase, Purchaser shall, upon receipt of the Repurchase Price, assign and deliver the related Mortgage Loan Documents to Seller. If Seller fails to repurchase a defective Mortgage Loan or REO Property at the time and in the manner provided in this Section, Purchaser shall have all other rights and remedies provided in this Agreement or by law or equity.

(d) In the event that Seller should fail to make any payment to Purchaser required to be made pursuant to this Article X within thirty (30) days following demand thereof, or within such other timeframe as may be specified under the applicable provisions of Section 10.1 or Section 10.2, interest shall accrue on such payment, to be compounded daily at the Interest Rate plus 200 basis points, from the date of demand (or, in the case of repurchase, the date on which repurchase funds are due Investor) until such payment is received by Purchaser.

10.3 **No Effect of Knowledge.**

The obligations of Seller under this Agreement for the breach of any representation or warranty made by Seller hereunder shall not be affected in any manner or to any extent by any knowledge obtained by (or which could have been obtained by) Purchaser prior to the Transfer Date, whether in the course of Purchaser's due diligence activities or otherwise.

10.4 **Indemnification by Purchaser.**

Purchaser will and hereby does indemnify and hold Seller harmless from and against any and all losses, damages, deficiencies, claims, liabilities, judgments, verdicts, causes of action, costs or expenses of any nature (including reasonable attorneys' fees and expenses)

(a) Resulting from or arising out of any breach of any representation and/or warranty of Purchaser contained in this Agreement, in any Related Agreement, or in any exhibit, schedule, statement or certificate furnished by Purchaser pursuant to this Agreement; or

(b) Resulting from or arising out of the breach of any covenant or obligation of Purchaser contained in this Agreement or in any Related Agreement; *provided*, however, that Purchaser shall not be obligated to so indemnify Seller to the extent that such payments are attributable to a breach by Seller of any representation, warranty or covenant made by Seller contained in this Agreement.

10.5 **Notice of Claim.**

If any action is brought against any person entitled to indemnification pursuant to Section

10.1 or Section 10.4 (a "Claimant") in respect of a claim under Section 10.1 or Section 10.4, as applicable (an "Indemnifiable Claim"), the Claimant shall promptly notify Purchaser or Seller, as the case may be, in writing of the institution of such action (but the failure so to notify shall not relieve Seller or Purchaser, as the case may be (the "Indemnifying Party") from any liability the Indemnifying Party may have except to the extent such failure materially prejudices the Indemnifying Party). With the prior written consent of the Claimant, the Indemnifying Party may assume and direct the defense of such action, including the employment of counsel, and all fees, costs and expenses incurred in connection with defending or settling the Indemnifiable Claim shall be borne solely by the Indemnifying Party; *provided*, however, that the Indemnifying Party shall not compromise any claim without the prior written consent of the Claimant, which consent shall not be unreasonably withheld; provided, further that notwithstanding the foregoing, Purchaser may assume the defense or prosecution of any such claim, suit, demand or proceeding, at the cost of the Indemnifying Party, if it reasonably believes that such assumption is necessary or appropriate to assure that its right or ability to service a material portion of its mortgage loans and servicing rights (including the Mortgage Loans or Servicing Rights) or its method of doing business or its authority and approvals to service or its reputation, goodwill, financing condition or business are not materially impaired. Notwithstanding a request by the Indemnifying Party to assume the defense of such action or proceeding, the Claimant shall have the right to employ separate counsel and to participate in the defense of such action or proceeding, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel (and shall pay such fees, costs and expenses at least quarterly).

10.6 **Limitation of Liability.**

In no event will either Purchaser or Seller be liable to the other party to this Agreement for incidental or consequential damages, including, without limitation, loss of profit or loss of business or business opportunity, regardless of the form of action whether in contract, tort or otherwise.

10.7 **Right of Offset/Recoupment.**

In the event an Indemnifying Party is required to indemnify or make payments to any Claimant under any provision of this Agreement or any Related Agreement, in addition to any other right available to the Claimant hereunder, at law or in equity, the Claimant shall be entitled to offset or recoup the amount of such required indemnity or any claim from any and all amounts owed by any Claimant, or any affiliate of a Claimant, to any Indemnifying Party or any affiliate of any Indemnifying Party, hereunder or otherwise. Without limiting the generality of the foregoing, it is understood and agreed that in the event Purchaser incurs losses, claims, liabilities or damages (including without limitation indemnification and/or repurchase), Purchaser shall have the right of setoff and/or recoupment with respect to any losses, claims, liabilities or damages of Purchaser with respect to any agreements with Seller, provided (if applicable) that Seller shall have failed, following notice and opportunity for cure, to perform its obligations of indemnification and/or repurchase under such agreements.

Post-it® Fax Note 7671	Date 7/20/05 # of pages ▶ 47
To (b) (7)(C)	From (b) (7)(C)
Co./Dept. GMAC	Co. GMAC Mtg
Phone #	Phone (b) (7)(C)
Fax #	Fax #

ARTICLE XI
Miscellaneous

11.1 Costs and Expenses.

Except as otherwise provided herein, each party shall be responsible for its accounting, legal and related costs and expenses incurred with respect to the transfer of Servicing, whether or not the transaction contemplated by the Agreement is consummated; provided that Seller and Purchaser shall share equally all costs and expenses incurred in compliance with the provisions of Section 7.16 or 8.6 hereof, as the case may be.

11.2 Confidentiality.

All information which is not public knowledge (including without limitation Mortgagor or customer information of any kind, proprietary business procedures, servicing fees or prices, policies or business plans) disclosed heretofore or hereafter by any party to any other party (including its attorneys, accountants or other representatives) in connection with the transaction contemplated by this Agreement (including the existence of this Agreement and the terms hereof) shall be kept confidential by the other party and shall not be used by such other party other than for use as herein contemplated, except to the extent (a) it is or hereafter becomes public knowledge or becomes lawfully obtainable from other sources, (b) such other party is compelled to disclose such information by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, or (c) such duty as to confidentiality and non-use is waived by such disclosing party. In the event of termination of this Agreement, each party shall exercise all reasonable efforts to return, upon request, to the other party, all documents and reproductions thereof received from such other party that include information not within the exceptions contained in the first sentence of this Section 11.2.

11.3 Broker's Fees.

Seller shall be responsible for fees due Phoenix Capital, Inc. and/or Griffin Capital Partners, Inc. (each a "Broker", collectively "Brokers"). Each party hereto represents and warrants to the other that it has made no agreement to pay any agent, finder, or broker or any other representative, any fee or commission in the nature of a finder's or originator's fee arising out of or in connection with the subject matter of this Agreement, except for such fees as may be payable to Brokers by Seller, and both the parties hereto covenant with each other and agree to indemnify and hold each other harmless from and against any such obligation or liability and any expense incurred in investigation or defending (including reasonable attorneys' fees) any claim based upon the other party's actions in connection with such obligation.

11.4 No Solicitation.

(a) Seller agrees that neither Seller nor any Affiliate or shareholder of Seller shall use information derived from the origination, sale or servicing of the Mortgage Loans to solicit, or

assist in the solicitation of, for any purpose including without limitation refinance, home equity or insurance, any of the Mortgagors related to the Mortgage Loans. Seller shall not provide a listing of Mortgagors to any third party.

(b) Seller further agrees to use its best efforts, including the exercise of any available contractual remedies, to cause any Affiliate, originator and/or prior servicer of the Mortgage Loans to refrain from taking any action which is prohibited under this section with respect to the Mortgage Loans and/or Mortgagors. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by Seller, or any Affiliate of Seller which are directed to the general public at large, including without limitations mass mailings based on commercially acquired mailing lists, newspaper, radio and television advertisement, shall not constitute solicitations under this paragraph.

(c) Seller agrees to refrain from engaging in any program to recover accrued late charges with respect to Mortgage Loans, other than in the normal course of servicing or customary past practices as disclosed to Purchaser prior to the Sale Date.

11.5 Survival.

Except as otherwise provided herein, the representations and warranties, covenants and agreements contained in or made pursuant to this Agreement (including without limitation the rights of indemnification and other remedies provided in Article X of the Agreement), and in any document delivered or to be delivered pursuant hereto, shall survive the execution hereof, the Sale Date and the Transfer Date. No representation or warranty contained herein shall be deemed to have been waived, affected or impaired by any investigation made by or knowledge of any party to this Agreement.

11.6 Notices.

Any notice or other communication required or which may be given hereunder shall be in writing and either delivered personally to the addressee, telegraphed or faxed to the addressee or mailed, certified or registered mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed or by confirmed facsimile transmission, or if mailed, two days after the date of mailing, as follows:

(a) If to the Purchaser, to:

GMAC Mortgage Corporation
100 Witmer Road
Horsham, PA 19044-0963
Attention: Chief Financial Officer
Fax: (215) 682-1467

with copies to:

General Counsel
GMAC Mortgage Corporation

100 Witmer Road
Horsham, PA 19044-0963
Fax: (215) 682-1467

and

GMAC Mortgage Corporation
3451 Hammond Avenue
Waterloo, IA 50702
Attention: General Manager
Fax: (319) 236-5175

(b) If to Seller, to:

Taylor, Bean & Whitaker Mortgage Corporation
101 Northeast 2nd Street
Ocala, FL 34470-6640
Attention: Mr. Lee B. Farkas, Chairman of the Board

or to such other address as Purchaser or Seller shall have specified in writing to the other.

11.7 **Governing Law.**

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania applicable to agreements made and to be performed entirely within such state.

11.8 **Jurisdiction and Venue.**

Purchaser and Seller mutually agree that any legal cause of action arising out of a dispute concerning this Agreement or the enforceability of any part thereof shall be subject to the jurisdiction of the United States District Court in and for the Eastern District of Pennsylvania.

11.9 **Entire Agreement.**

This Agreement (including the Exhibits, Schedules and certifications hereto, all of which are incorporated herein by reference) and any Related Agreements contain the entire agreement between the parties with respect to the transactions contemplated hereby, and supersede all prior agreements and understandings relating to the subject matter of the Agreement. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER OF THE AGREEMENT, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES; AND THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

11.10 **Waivers and Amendments.**

This Agreement may be amended, modified, superseded, canceled, renewed or extended,

and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11.11 Third Party Beneficiaries.

This Agreement is intended for the benefit of the parties hereto, and Fannie Mae, only. Except for Fannie Mae, there shall be no third party beneficiaries hereof.

11.12 Construction.

In construing the words of this Agreement, all pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural as the identify of the person or persons may require. The words "herein", "hereof", and other similar compounds of the word "here" shall mean and refer to this entire Agreement, not to any particular provision, section, or subsection of it. This Agreement constitutes a negotiated document. In case of any alleged ambiguity in any term of this Agreement, such term shall not be construed in favor of or against either party by reason of the participation of such party or its attorneys in the negotiation or drafting of this Agreement.

11.13 Headings.

The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

11.14 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

11.15 Attorneys' Fees.

If any action of law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the other party. Such fees may be set by the Court in the trial of such action or may be enforced in a separate action brought for that purpose. Such fees shall be in addition to any other relief that may be awarded.

11.16 Binding Effect.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto and their successors and permitted assigns, any rights, obligations, remedies or liabilities.

11.17 **No Assignment.**

This Agreement is not assignable except by operation of law, except that Purchaser may assign its rights or obligations under this Agreement to any affiliate of Purchaser provided that Purchaser shall continue to be bound by this Agreement.

11.18 **Location of Closing.**

On the Sale Date, the closing of this transaction shall take place at the respective offices of Purchaser and Seller via facsimile transmission between Purchaser and Seller. Original signed documents shall be exchanged between the two parties by overnight courier.

11.19 **Severability of Provisions.**

If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

IN WITNESS WHEREOF, each of the undersigned parties to this Purchase and Sale Agreement has caused this Purchase and Sale Agreement to be duly executed in its corporate name by one of its duly authorized officers, all as of the date first above written.

"PURCHASER"

ATTEST:

GMAC MORTGAGE CORPORATION

_____

By: _____

Its: (b) (7)(C) [redacted]

"SELLER"

ATTEST:

(b) (7)(C) [redacted]

TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION

By: _____

Its: C.E.O.

FNMA hereby agrees, in consideration of the terms of this Agreement, and for the benefit of Purchaser, to perform the covenants identified in Sections 2.2 and 2.6 hereof as obligations of Investor, and represents and warrants to Purchaser, as of the Sale Date and through and including the Transfer Date, the matters set forth in Section 3.6 of this Agreement.

FANNIE MAE ("FNMA"), formerly known as FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: _____

Its: _____

TBW P&S

IN WITNESS WHEREOF, each of the undersigned parties to this Purchase and Sale Agreement has caused this Purchase and Sale Agreement to be duly executed in its corporate name by one of its duly authorized officers, all as of the date first above written.

"PURCHASER"

ATTEST:

GMAC MORTGAGE CORPORATION

_____

By: (b) (7)(C)

Its: Vice President

"SELLER"

ATTEST:

TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION

_____

By: _____

Its: _____

FNMA hereby agrees, in consideration of the terms of this Agreement, and for the benefit of Purchaser, to perform the covenants identified in Sections 2.2 and 2.6 hereof as obligations of Investor, and represents and warrants to Purchaser, as of the Sale Date and through and including the Transfer Date, the matters set forth in Section 3.6 of this Agreement.

FANNIE MAE ("FNMA"), formerly known as FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: (b) (7)(C)

Its:

FNMA- P&S

IN WITNESS WHEREOF, each of the undersigned parties to this Purchase and Sale Agreement has caused this Purchase and Sale Agreement to be duly executed in its corporate name by one of its duly authorized officers, all as of the date first above written.

"PURCHASER"

ATTEST:

GMAC MORTGAGE CORPORATION

_____

By: _____

(b) (7)(C)

Its:

"SELLER"

ATTEST:

TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION

_____

By: _____

Its: _____

FNMA hereby agrees, in consideration of the terms of this Agreement, and for the benefit of Purchaser, to perform the covenants identified in Sections 2.2 and 2.6 hereof as obligations of Investor, and represents and warrants to Purchaser, as of the Sale Date and through and including the Transfer Date, the matters set forth in Section 3.6 of this Agreement.

FANNIE MAE ("FNMA"), formerly known as FEDERAL NATIONAL MORTGAGE ASS

(b) (7)(C)

By:

Its:

LIST OF SCHEDULES AND EXHIBITS

Schedule 3.5(c) Schedule of Non-compliance with Insurance

Schedule 3.7 Schedule of Litigation

Schedule 3.12 Schedule of Recourse Servicing

Schedule 4.11 Schedule of Condemnation/Forfeiture Proceedings

Schedule 4.12 Schedule of Uncertified Pools

Schedule 4.14 Schedule of Investor Indemnification Agreements

Schedule 4.16 Schedule of Soldiers and Sailors

Exhibit A Schedule of Mortgage Loans

A-1 Schedule of Delinquent Loans

A-2 Schedule of Deduction Loans

Exhibit B Contents of Complete Mortgage Loan Files

Exhibit C Summary of Pools

Exhibit D Transfer Instructions

Exhibit E RESERVED

Exhibit F Seller's Opinion of Counsel

Exhibit G Seller's Officer's Certificate

Exhibit H Seller's Appointment of Certain Officers

3.5(c) Schedule of Non-compliance with Insurance

Loan_Number
??? No Data

3.7 Schedule of Litigation

Loan_Number
??? No Data

3.12 Schedule of Recourse Servicing

Loan_Number
??? No Data

4.11 Schedule of Condemnation/Forfeiture

Loan_Number
??? No Data

4.12 Schedule of Uncertified Pools

Loan_Number
??? No Data

4.14 Schedule of Exception Loans

Loan_Number
??? No Data

4.16 Schedule of Soldiers and Sailors

Loan_Number
101528
192512
39151
48069
163076

EXHIBIT B TO PURCHASE AND SALE AGREEMENT

Contents of Complete Mortgage Loan Files

Complete Mortgage Loan Files (where applicable, original microfiche files or hard copy files) shall include, ***subject to Applicable Requirements,*** the following:

a) All origination documentation including:

- Transmittal Summary FNMA/FHLMC Form 1008
- Loan Application Form 1003 (initial and final signed application)
- Credit Report
- Final Truth-in-Lending Disclosure Statement
- Verification of Employment
- IRS Form 4506 for self-employed borrowers (Request for copy of Tax Form)
- Verification of Deposit
- HUD 1 on previous property, if applicable
- HUD 1/Settlement Statement on subject property
- Appraisal
- Satisfactory Completion Certificate Form 442, if applicable
- Executed Sales Contract;

b) Copy of Note with Note Addenda, if applicable;

c) Original limited power of attorney, if applicable;

d) Original recorded Mortgage/Deed of Trust, including legal description, or copy of the original, certified by the recording agency to be a true and exact copy of the recorded document;

e) Original final Title Policy;

f) Original or copy of PMI Certificate (may be on fiche);

g) Original recorded intervening Assignment (FNMA A/A and MRS);

h) Abstract of Title - in states where required other than those where evidence exists indicating sent to borrower;

i) Previous assumption information, if applicable;

j) Recorded Loan Modification Agreement, if applicable;

k) Co-op Stock Certificate, if applicable; and

l) Information pertaining to a change in title since origination (such as partial releases, added land, marriage, divorce, quit claim deed, etc.), if applicable.

** TX STATUS REPORT **

AS OF APR 19 2002 17:13 PAGE.01

	DATE TIME	TO/FROM	MODE	MIN/SEC	PGS	JOB#	STATUS
23	04/19 17:12	914043986003	UF—S	01'15"	011	158	OK

FannieMae

FAX TRANSMITTAL

Date: 4/19/02

To: (b) (7)(C)

Fax Number:	Telephone Number:	Number of Pages: (includes cover page)
404-398-6003		11

From (Name and Title): (b) (7)(C) [redacted]

Northeastern Regional Office/Attn: Regional Counsel
1900 Market Street, Suite 800, Philadelphia, PA 19103
Telephone Number: (215) 575-1578 Fax Number: (215) 575-1404
If this transmission is incomplete, please call our office immediately.

GMAC proposal attached;
Please get GMAC signature on Page 7
& on Bid letter schedule (last page)

PLEASE CALL BACK AS SOON AS POSSIBLE IF YOU DO NOT RECEIVE DOCUMENT(S)

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS ATTORNEY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

FNM-TBW
0000127

(b) (7)(C) [redacted]
Exhibit No. 30
11.7.01 (b) (7)(C)

FannieMae

FAX TRANSMITTAL

Date: 4/19/02

To: (b) (7)(C)

Fax Number:	Telephone Number:	Number of Pages: (includes cover page)
404-398-6003		11

From (Name and Title): (b) (7)(C)

Northeastern Regional Office/Attn: Regional Counsel
1900 Market Street, Suite 800, Philadelphia, PA 19103
Telephone Number: (215) 575-1578 Fax Number: (215) 575-1404
If this transmission is incomplete, please call our office immediately.

GMAC proposal attached;
Please get GMAC signature on page 7
& on Bid letter exhibit (last page)

PLEASE CALL BACK AS SOON AS POSSIBLE IF YOU DO NOT RECEIVE DOCUMENT(S)

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS ATTORNEY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

Fax Cover Sheet

404-398-6003

==========

Please Deliver to:

Fax #: 215-575-1745
Company: FANNIE MAE

From:

(b) (7)(C)

Fax #: 352-867-1190
Phone: (b) (7)(C)

Pages: 10

==========

Message:

This fax was sent using Castelle's FaxPress network fax server.

April 19, 2002

(b) (7)(C)
Phoenix Capital, Inc
600 Seventeenth Street, Suite 1650 South
Denver, CO 80202
Facsimile - (303) 892-7070

(b) (7)(C)
Griffin Capital Partners, Inc
Facsimile - (303) 377-5489

Re: Servicing Sale Offering #Apr1202A, #Apr1202A-2 and #0004 from Griffin Capital Partners (the "Offerings")

Dear Gentleman:

We have reviewed the information you provided us concerning the above-captioned servicing offering. We represent that GMAC Mortgage Corporation ("Purchaser") is and will be on the Transfer Date an approved FNMA Seller/Servicer in good standing with requisite financial criteria and adequate resources necessary to complete this transaction.

This letter will serve to notify you of Purchaser's offer and intent to purchase from Taylor, Bean & Whitaker Mortgage Corporation ("Seller") the servicing rights, titles, obligations, mortgagor files and records to certain conventional residential loans, having an aggregate unpaid principal balance of approximately $1.76 billion, comprised of (a) $1.00 billion in non-recourse FNMA Servicing, as described in certain materials provided by Phoenix Capital, Inc., summarized in part in your offering # Apr1202A ("Portfolio A"), (b) $482 million in non-recourse FNMA Servicing, as described in certain materials provided by Griffin Capital Partners, summarized in part in offering #0004 from Griffin Capital Partners ("Portfolio B"), and (c) $279 million in non-recourse FNMA Servicing, as described in certain materials provided by Phoenix Capital, Inc., summarized in part in your offering # Apr1202A-2 ("Portfolio C") (hereinafter the "Mortgage Loans" or the "Servicing"), on the terms and conditions expressed in this Letter of Intent. **This bid expressly excludes all FHA and VA mortgage loans contained in Portfolio B. This bid is made only with respect to all three components described in sections (a), (b) and (c) above, and shall not in any event be construed as a bid for less than all three of the components.**

1. Purchase Price: The Purchase Price shall be determined as of the Sale Date and shall be calculated by (a) multiplying the applicable Bid Percentage (which is defined as the bid multiple of 4.2 times the net service fee for Portfolio A, 3.8 times the net service fee of Portfolio B, and 3.8 times the net service fee of Portfolio C) by the unpaid principal balance of the related Mortgage Loans, which, as of the Sale Date, are not (i) two payments or more past due; (ii) in foreclosure or REO status; and/or (iii) subject to bankruptcy or litigation; and (b) deducting from (a) above the product of $750 times the number of all Mortgage Loans which, as of Sale Date, are (i) three or more payments past due, (ii) in foreclosure or REO status; and/or (iii) subject to bankruptcy or litigation, and which transfer to Purchaser. The Purchase Price shall be calculated with reference to an electronic file containing specific loan level data (in the format attached as Schedule 1) on the Mortgage Loans and Servicing Rights as of the Sale Date.

$1.7BB Offering
< Continued >

This electronic file is to be delivered to Purchaser no later than five (5) Business Days prior to the Sale Date.

The Purchase Price shall be paid as follows:

a) Thirty percent (30%) of the estimated Purchase Price shall be payable within five (5) Business Days after the Transfer Date and upon receipt of substantially all Complete Mortgage Loan Files and all Custodial files, and upon confirmation of receipt of Mortgage Loan escrow monies and related documentation.

b) The remainder of the Purchase Price (the "Deferred Funds"), exclusive of interest, shall be payable in installments in accordance with the provisions of this Section 1(b), pursuant to the following schedule:

~~1st Release~~	May 31, 2003	~~10% of Purchase Price~~
~~2nd Release~~	~~May 31, 2004~~	~~10% of Purchase Price~~
~~3rd Release~~	~~May 31, 2005~~	~~10% of Purchase Price~~
~~4th Release~~	May 31, 2006	~~10% of Purchase Price~~
~~5th Release~~	May 31, 2007	~~Remaining Balance~~

As Negotiated by RFC

It is understood and agreed that in the event Purchaser incurs losses, claims, liabilities or damages which are subject to the remedies provided under the Purchase and Sale Agreement (including without limitation indemnification and/or repurchase), Purchaser shall have the right of setoff and/or recoupment against the Deferred Funds with respect to any losses, claims, liabilities or damages of Purchaser with respect to any agreements with Seller, provided that Seller shall have failed, following notice and opportunity for cure, to perform its obligations of indemnification and/or repurchase under such agreements. Such right of setoff and/or recoupment shall extend to those losses, claims, liabilities or damages which Purchaser shall determine to have accrued prior to May 31, 2007, in such amounts as Purchaser may estimate in good faith.

c) In the event that the transaction contemplated herein fails to be consummated for any reason to be specified in a mutually agreeable Purchase and Sale Agreement, Seller shall promptly refund all monies paid by Purchaser.

d) Seller will reimburse Purchaser for the Purchase Price paid for Mortgage Loans that prepay within the four (4) calendar month period following the Sale Date.

2. The Sale Date shall be May 31, 2002; the Transfer Date shall be June 3, 2002.

3. Consummation of the closing of this transaction is expressly contingent upon Seller's obtaining necessary investor, third party and regulatory approvals prior to the applicable Transfer Date.

4. The Transfer Date will be the date Purchaser assumes the physical servicing of the Mortgage Loans, and will be a date(s) to be mutually agreed upon by Seller and Purchaser. Within three (3) Business Days after the applicable Transfer Date, Seller agrees to deliver all obligations, benefits and mortgagor files and records and thereby sever its mortgage servicing relationships with mortgagors.

$1.7BB Offering
< Continued >

5. Prior to the applicable Transfer Date, Seller will continue to service the Mortgage Loans in accordance with all applicable investor and insurer regulations, requirements and procedures, terms of the Mortgage Loan documents and applicable law.

6. Purchase of the Servicing is subject to and contingent upon the following conditions:

   a) Execution by Purchaser and Seller of a binding Purchase and Sale Agreement for Mortgage Loan Servicing (the "Agreement") acceptable to both parties which will contain, among other things, (i) the terms and provisions contained in this Letter of Intent, (ii) full representations and warranties pertaining to Seller and the Servicing, and (iii) Seller's agreement to indemnify and hold Purchaser harmless by repurchase and otherwise, without limitation in time or amount, for any and all claims, losses, damages, liabilities and expenses (including reasonable attorneys' fees and expenses) resulting from (A) improper or inadequate origination, sale and/or servicing (including sub-servicing), prior to the applicable Transfer Date, of Mortgage Loans under the Mortgage Loan documents, FNMA or private mortgage insurance ("PMI") rules, regulations and guidelines and/or applicable law, (B) breach by Seller of representations, warranties and/or covenants made in the Agreement, and/or (C) any undisclosed recourse obligations owed to any investor with respect to the Servicing;

   b) Approval and acceptance by Purchaser and Seller of any and all documentation which may be reasonably required to effectuate the sale and assignment of the Servicing to Purchaser;

   c) Determination by Purchaser that the books, records and accounts of Seller with respect to the Servicing offered for sale, are in order pursuant to the applicable regulations and investor requirements (including without limitation those of FNMA), and verification that the information provided to Purchaser by Seller in connection with the servicing offering is complete and accurate. The determination by Purchaser that: (i) the Mortgage Loans meet Investor's credit underwriting and quality control standards; (ii) Seller's origination and servicing practices and transfer capabilities are satisfactory to Purchaser; (iii) Seller possesses and will continue to possess financial resources sufficient to enable it to perform its obligations of repurchase and/or indemnification as required under the Agreement, if applicable, (iv) the terms of pool insurance agreements are acceptable to Purchaser, and (v) the terms of any class action settlements and/or consent decrees applicable to Seller or the Servicing are acceptable to Purchaser. Items to be reviewed during the inspection include, without limitation, financial statements of Seller (and its affiliates, if applicable), custodial, origination, and credit underwriting files, applicable servicing agreements, investor reporting, escrow administration, default management, and record retention. Such inspection shall commence and terminate on dates mutually acceptable to Purchaser and Seller;

   d) Delivery by Seller to Purchaser of all required approvals, in writing, of transfer of Servicing rights to Purchaser and acceptance by Purchaser of any and all conditions or restrictions which may be imposed by any investor on the sale and assignment of Servicing by Seller to Purchaser;

   e) Seller's payment of the costs of securing approval, and of any transfer fees due investors;

$1.7BB Offering
< Continued >

f) Seller will pay all costs of providing ($85 per loan) or transferring ($3.50 per loan) life of loan transferable tax service contracts to First American Real Estate Tax Service ("FARETS");

g) Seller will pay all costs of providing ($19 per loan) or transferring ($2.00 from a flood vendor acceptable to Purchaser) to life of loan transferable flood certifications with Fidelity;

h) Seller's payment of (i) custodian fees through the Transfer Date, (ii) costs of preparing, recording and registering assignments of mortgages to MERS, to the extent not previously completed, as required, (iii) cost of preparing and executing assignments from Purchaser to Investor in recordable form. as required,. (iv) costs of transfer of each Mortgage Loan file to Purchaser's designated custodian (excluding Purchaser's custodial fees), (v) cost to complete note endorsements from Seller to Purchaser and Purchaser to Investor, as required, (vi) any costs associated with Seller's obligation for providing, in an electronic format, all information necessary to discharge a mortgage lien upon payoff or liquidation, (vii) any costs associated with the Seller's obligation to provide a complete data tape to facilitate the automated transfer of Servicing to Purchaser, (viii) delivery of Mortgage Loan files and information to Purchaser, and (ix) preparation and submission by Seller of transfer notifications to hazard/flood carriers, PMI carriers, pool insurers, borrowers (excluding Purchaser's "Hello" letters), tax authorities, and tax service companies:

i) Seller shall transfer to Purchaser within three (3) days of the Transfer Date, in immediately available funds, all Mortgage Loan escrow monies, and an accounting of funds due investors and unearned fees, provided such fees are deemed earned as collected. Such transfer of funds shall be net of documented reimbursable advances made by Seller for taxes and insurance to the extent that (i) such advances have been made in accordance with applicable regulations and requirements; and (ii) Seller provides Purchaser detail satisfactory to support the advances;

j) Seller shall be responsible through the Transfer Date for payment of any interest on escrow deposits for Mortgage Loans, to the extent required by law, and for any interest shortfall between the amount of interest collected and the amount of interest required to be remitted to investors, including without limitation interest payable on pay-offs and curtailments, where applicable;

k) Seller utilizes the maximum escrow cushion allowable under applicable law;

l) Seller shall agree to maintain for a period of one hundred twenty (120) days following the Transfer Date, a reasonable number of servicing personnel to assist Purchaser in the resolution of post-transfer issues. Further, Seller shall maintain sufficient personnel necessary to complete recertification of FNMA pools, as applicable;

m) Seller shall deliver to Purchaser satisfactory releases with respect to any UCC-1 financing statement of interest of record which, in the judgment of Purchaser's counsel is related to the Servicing;

n) As applicable, the parties are each responsible for their accounting, legal and related expenses. Notwithstanding the preceding sentence, the parties shall share equally in any and all filing fees related to any Hart-Scott-Rodino filing for FTC clearance;

$1.7BB Offering
< Continued >

o) Seller shall prepare, register, and record to Purchaser's reasonable satisfaction, assignments of mortgages to MERS, to the extent not previously completed. Seller shall be responsible for tracking its receipt of recorded assignments;

p) Seller and Purchaser shall have received either (i) FTC clearance following a Hart-Scott-Rodino filing or (ii) satisfactory assurances of exemption from such filing;

q) Prior to the Transfer Date, there shall have been no material adverse change in the condition (financial or otherwise), business, net worth, assets (including without limitation the Servicing, the Escrow Accounts or the Mortgage Loans), properties, operations or future prospects of Seller, and there shall not have been any occurrence circumstance or combination thereof, whether arising heretofore or thereafter), including litigation pending or threatened, which might reasonably result in any such material adverse change;

r) Prior to the Transfer Date, there shall have been no public announcement of any sale, acquisition, merger, consolidation or change of control affecting Seller and/or substantially all of the assets of Seller; and

s) ~~Purchaser shall have the right of first refusal in the event Seller sells all or a portion of its existing origination platform.~~

7. Seller represents and warrants, as of the Sale Date and as of the Transfer Date, that:

a) it has the sole right and authority to sell the Servicing rights;

b) it has not encumbered the rights and is not contractually obligated to sell the rights to any other party;

c) all Mortgage Loans were originated, sold and serviced in accordance with the Loan documents, applicable FNMA, PMI rules, regulations and guidelines and applicable law;

d) no Mortgage Loan possesses any of the following characteristics: (a) is subject to a bi-weekly payment plan, (b) is secured by manufactured housing that is not affixed to a permanent structure, (c) is a reverse mortgage loan or home equity line of credit, (d) is a graduated payment loan that is still in the adjustment period of loan, (e) is a housing authority loan, (f) is an RHS loan, (g) is a second mortgage, (h) is a loan originated under the National Housing Affiliate Network and Home SOS Program, Inc., (i) is a subprime or "A Minus" credit quality loan, (j) is a "high cost" mortgage loan under Section 32 of the Truth-In-Lending Act as amended by the Home Ownership and Equity Protection Act or any similar state law, (k) finances any single-premium credit insurance coverage, (l) provides for negative amortization, (m) contains a mandatory arbitration clause, (n) provides for increased interest rate in the event of default, (o) is a conventional loan which has a loan-to-value ratio exceeding one hundred percent (100%), (p) is a participation loan, (q) is subject to a captive re-insurance program, (r) is a loan contained in a security subject to an acceleration without an event of default, (s) is an adjustable rate mortgage loan, or (t) is an interest in advance loan;

$1.7BB Offering
< Continued >

e) the Servicing is without recourse or shared risk to the servicer, and Purchaser shall not be responsible to Seller or any other person for any losses sustained by Investors arising out of any foreclosure of any Mortgaged Property or the acquisition and subsequent holding or disposition of such Mortgaged Property, including without limitation third party expenses such as attorneys' fees and costs, special hazard losses (including earthquake-related losses), and restoration expenses, except to the extent that such losses are attributable to Purchaser's failure to perform Servicing as required by the Purchase Agreement after the Transfer Date;

f) to the extent that Mortgage Loan documents are held by a custodian, all Mortgage Loan pools shall be certifiable or recertifiable, as applicable, by Purchaser's custodian; and

g) on the Transfer Date, Seller shall be a seller/servicer in good standing with either FNMA or FHLMC, ~~and shall not have been terminated as a servicer by FNMA~~.

8. Commencing on the date of the offering letter, Seller agrees neither Seller, nor any affiliate or shareholder of Seller shall use information derived from the origination, sale, or servicing of the Mortgage Loans to solicit, nor assist in the solicitation, for any purpose including refinance, home equity or insurance, of any of the Mortgage Loans contained within the offering of Servicing rights. Seller further agrees to use its best efforts, including the exercise of any available contractual remedies, to cause any affiliate, shareholder, originator and/or prior servicer of the Mortgage Loans to refrain from taking any action which is prohibited under this section with respect to the Mortgage Loans and/or Mortgagors. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by the Seller or any affiliate of the Seller which are directed to the general public at large, including without limitation mass mailings based on commercially acquired mailing lists, newspaper, radio and television advertisement, shall not constitute solicitations under this paragraph.

9. Seller agrees to refrain from engaging in any program to recover accrued late charges with respect to Mortgage Loans, other than in the normal course of servicing or customary past practices as disclosed to Purchaser prior to the Sale Date.

10. Seller will be responsible for any fees due Phoenix Capital Inc. and/or Griffin Capital Partners.

11. Purchaser agrees to cooperate and assist Seller in obtaining necessary approvals hereunder, including without limitation, provision of all financial and other information typically required by investors for approval of a transfer of servicing.

12. Seller and Purchaser each agree to use their best efforts to effectuate the loan servicing transfer described herein in accordance with MBA-approved industry standards for servicing transfers, and with investor requirements for the transfer of servicing.

13. The timing and content of any press release or other public announcement relating to the transaction contemplated hereby shall be subject to the approval of Seller and Purchaser.

This letter sets forth only the preliminary intention of the parties. Failure to include any items in this letter does not preclude inclusion in the Agreement.

$1.7BB Offering
< Continued >

If this offer is acceptable to you, please sign and return a fully-executed original so that it is received by us no later than 5:00 p.m. EST, April 19, 2002. Unless we have received your acceptance prior to this time (telefax is acceptable), this offer will automatically expire.

If you have any questions, please call me at (215) 682-3594. Our telefax number is (215) 682-1151.

Very truly yours,

GMAC MORTGAGE CORPORATION

(b) (7)(C)

KHJ:jk

ACCEPTED AND AGREED TO:

SELLER

Company: Taylor, Bean & Whitaker Mtg Corp

By:

Title: CEO

Date: 4/19/02

$1.7BB Offering
< Continued >

Schedule 1

Data Fields for Purchase Price Valuation

#	Field	Type	Field
1	Loan Number	Text	Loan_Num
2	Super Investor (e.g. FNMA, FHLMC, GNMA, FHLB)	Text	Super_Inv
3	Remittance Type (e.g. FNMA MBS, FNMA MBS RPM, FHLMC ARC)	Text	Investor
4	Pool Number	Number	Pool_Num
5	GNMA RECD or Targeted Lending Initiative Loan Indicator	Y/N	FMHA_Flg
6	Mortgage Type (e.g. FHA, VA, CONV w/PMI & CONV w/o PMI)	Text	Mort_Type
7	Product Type (e.g. Fixed - 30yr, Fixed - 15yr, Arm, Balloon)	Text	Prod_Type
8	Original Balance	Number	Bal_Orig
9	Current Balance	Number	Bal_UPB
10	P&I Payment	Number	PIAmt
11	T&I Payment	Number	TIAmt
12	Escrow Balance	Number	Bal_Escrow
13	State	Text	Prop_State
14	Note Rate	Number	Note_Rate
15	Pass Through Rate	Number	Pass_Thru
16	Gross Service Fee	Number	G_Sfee
17	Guarantee Fee	Number	Guar_Rate
18	Net Service Fee	Number	SFEE_Rate
19	Original Term	Number	Term_Orig
20	Remaining Term	Number	Term_Rem
21	Age (Orig Term - Remaining Term)	Number	Age
22	Origination Date	Date/Text	Orig_Date
23	First Payment Date	Date/Text	FPDT
24	Next Pmt Due Date or Interest Paid Thru Date	Date/Text	NPDD or IPTD
25	Delinquency – Months Behind	Number	MM Behind
26	Maturity Date	Date/Text	Mat_Date
27	Bankruptcy Flag	Y/N	BK_Flg
28	Foreclosure Flag	Y/N	FCL_Flg
29	Reo Flag	Y/N	Reo_Flg
30	Litigation Flag	Y/N	Litg_Flg

TO:

FROM (b) (7)(C)
:
GMACM Mortgage
Ph: 319-236-5376

Bid Letter Exhibit XX

Acknowledgement

The undersigned Buyer acknowledges that it is aware that the Seller is in a terminated Fannie Mae status and that Fannie Mae will need to be part of the Purchase and Sale Agreement on a non-recourse, non-warranty basis.

Buyer also agrees to remit the Purchase Price to Fannie Mae, rather than to Seller.

The Buyer and the Seller recognize the importance of maintaining the confidential nature of this transaction. Both agree that they will take no action to publicize this sale of servicing in any trade or public media using the other party's name without the prior written approval of the other party, except as required by law.

Dated as if April 19, 2002

Seller
Taylor, Bean & Whitaker Mortgage Corporation

Signed: _____

Title: CEO

Buyer

Signed: _____

Title: _____

Fannie Mae
Signed: _____

Title: _____

GMAC Residential Funding

Memo

Date April 19, 2002

From (b) (7)(C)

To (b) (7)(C)

RE: TBW Update based on Information Gathered on April 19, 2002

RFC Facilities (No Change):

Warehouse: $139M warehouse, including a $59MM regular warehouse commitment and an $80MM temporary increase, part of a syndication agented by Colonial Bank.

Servicing: $55MM commitment, $24.88MM outstanding. Secured by Servicing. Colonial Bank also has $12MM in debt outstanding secured by this servicing. No advances on this have been made since January.

Total Concentration: $164MM

Updated Information Based on Recent Events:

1. Alliance Mortgage and GMACM Bid on TBW's $1.77 billion servicing package. GMACM's bid was significantly higher at 4.2 * servicing fee for $1B, and 3.8 * servicing fee for $750MM. This translated into a total price of about $29.5 Million. A portion of this servicing includes some Actual/Actual Fannie Mae servicing that Colonial Bank has a prior lien on. The remainder goes to RFC. If the remainder is insufficient to repay RFC fully, then RFC will require that TBW pledge to RFC adequate servicing to cover any shortfall.

2. RFC gave its Reps and Warranties to GMACM, with the approval of (b) (7)(C) (who has the vote also for (b) (7)(C)). The reasons for deciding to do this are as follows:

- GMACM would not bid the sale without it.

- GMACM's experience has been good with the TBW servicing. GMACM has purchased $6.6 billion in total loan servicing, with Fannie Mae servicing consisting of 2/3 of the total. Of the approximate $4.4 billion in Fannie Mae Servicing, 28 loans have been repurchased. Assuming an average loan size of

GMAC Residential Funding
7501 Wisconsin Avenue, Suite 900
Bethesda, Maryland 20814

Exhibit No. 31
11-7-07 (b) (7)(C)

$120,000, this would be 6,700 loans, for a repurchase rate of .076%. Though this is a young portfolio, this is a low delinquency rate.

- GMACM's bid was well above Alliance's bid.

3. There were several conversations with Fannie Mae today, as follows:

- (b) (7)(C) said in the first call that they did not expect a signed P&S Agreement today, but did expect a signed Bid Letter.

- (b) (7)(C) and Zack Oppenheimer, SVP, scheduled a conference call at 3:30 p.m. with RFC, Colonial Bank, and TBW. At that call, they noted that they are trying hard to maximize the proceeds of the sale of the servicing, and in most circumstances would have pulled the servicing portfolio, but did not in this case. They wanted to make a proposal to not only protect Fannie Mae's assets, but also, to do the best for all parties. This proposal offered the suggestion that Colonial and RFC transfer the servicing into their own names, hold it, then sell it when the market settles down. They noted that they would agree to an extended timeframe to accomplish this sale, and that Taylor Bean could sub-servicing the servicing during that period. The result would be a During this call, the GMACM bid was received by TBW and the brokers.

- TBW, RFC, and Colonial agreed to discuss this offer offline and resume the conference call at 4:15 p.m. Together, we discussed the fact that the GMACM bid was better as it is the Lender's desire to get a sale accomplished and as RFC was already putting its reps and warranties on the portfolio and as the price offered by GMACM was not that far off of GMACM's current market price, though lower than some in the market today.

- We resumed the Fannie Mae Conference call and told them this. In this call also we discussed the requirement that the cash proceeds go through Fannie Mae, which Fannie Mae says they must do to abide by the acknowledgement agreement. This is because they want to net out any costs TBW owes them relating to the servicing. These costs will not include any reserves for potential future repurchases as GMACM would have the rep and warranty to Fannie Mae. However, they would include any repurchase requests (there is one pending for $84M) and other loan level adjustments, which can arise in a facility with many deliveries, shut downs, and redeliveries. These are normal expenses that TBW would normally pay. If TBW were current on these, Fannie Mae would take no proceeds. The current amount Fannie Mae noted was $671M and they said it could come down. It is TBW's opinion that Fannie Mae owes them money.

- Notable is that in this call, Fannie Mae said that after this sale closes, Fannie Mae would be willing to readdress TBW's termination status.

4. On Monday there is a meeting in Orlando with the syndicated lenders and Lee Farkus. (b) (7)(C) and I will be there.

5. Cathie Kissick of Colonial received a call from (b) (7)(C) of the Hughes Companies yesterday. He said they are looking for a community bank to partner with in Orlando. Cathy told him she had a client in Orlando whose business is lending to community bands. He was very interested and is now meeting with Lee Farkas on Wednesday.

GMAC Residential Funding

Memo

Date April 19, 2002

From (b) (7)(C)

To (b) (7)(C)

RE: TBW Update based on Information Gathered on April 19, 2002

RFC Facilities (No Change):

Warehouse: $139M warehouse, including a $59MM regular warehouse commitment and an $80MM temporary increase, part of a syndication agented by Colonial Bank.

Servicing: $55MM commitment, $24.88MM outstanding. Secured by Servicing. Colonial Bank also has $12MM in debt outstanding secured by this servicing. No advances on this have been made since January.

Total Concentration: $164MM

Updated Information Based on Recent Events:

1. Alliance Mortgage and GMACM Bid on TBW's $1.77 billion servicing package. GMACM's bid was significantly higher at 4.2 * servicing fee for $1B, and 3.8 * servicing fee for $750MM. This translated into a total price of about $29.5 Million. A portion of this servicing includes some Actual/Actual Fannie Mae servicing that Colonial Bank has a prior lien on. The remainder goes to RFC. If the remainder is insufficient to repay RFC fully, then RFC will require that TBW pledge to RFC adequate servicing to cover any shortfall.

2. RFC gave its Reps and Warranties to GMACM, with the approval of Davee Olson and Debbie Casale (who has the vote also for Larry Pendleton). The reasons for deciding to do this are as follows:

- GMACM would not bid the sale without it.

- GMACM's experience has been good with the TBW servicing. GMACM has purchased $6.6 billion in total loan servicing, with Fannie Mae servicing consisting of 2/3 of the total. Of the approximate $4.4 billion in Fannie Mae Servicing, 28 loans have been repurchased. Assuming an average loan size of

GMAC Residential Funding
7501 Wisconsin Avenue, Suite 900
Bethesda, Maryland 20814

Exhibit No. 31
11-7-07 (b) (7)(C)

RFC 015219
Confidential

$120,000, this would be 6,700 loans, for a repurchase rate of .076%. Though this is a young portfolio, this is a low delinquency rate.

- GMACM's bid was well above Alliance's bid.

3. There were several conversations with Fannie Mae today, as follows:

- (b) (7)(C) said in the first call that they did not expect a signed P&S Agreement today, but did expect a signed Bid Letter.

- (b) (7)(C) and Zack Oppenheimer, SVP, scheduled a conference call at 3:30 p.m. with RFC, Colonial Bank, and TBW. At that call, they noted that they are trying hard to maximize the proceeds of the sale of the servicing, and in most circumstances would have pulled the servicing portfolio, but did not in this case. They wanted to make a proposal to not only protect Fannie Mae's assets, but also, to do the best for all parties. This proposal offered the suggestion that Colonial and RFC transfer the servicing into their own names, hold it, then sell it when the market settles down. They noted that they would agree to an extended timeframe to accomplish this sale, and that Taylor Bean could sub-servicing the servicing during that period. The result would be a During this call, the GMACM bid was received by TBW and the brokers.

- TBW, RFC, and Colonial agreed to discuss this offer offline and resume the conference call at 4:15 p.m. Together, we discussed the fact that the GMACM bid was better as it is the Lender's desire to get a sale accomplished and as RFC was already putting its reps and warranties on the portfolio and as the price offered by GMACM was not that far off of GMACM's current market price, though lower than some in the market today.

- We resumed the Fannie Mae Conference call and told them this. In this call also we discussed the requirement that the cash proceeds go through Fannie Mae, which Fannie Mae says they must do to abide by the acknowledgement agreement. This is because they want to net out any costs TBW owes them relating to the servicing. These costs will not include any reserves for potential future repurchases as GMACM would have the rep and warranty to Fannie Mae. However, they would include any repurchase requests (there is one pending for $84M) and other loan level adjustments, which can arise in a facility with many deliveries, shut downs, and redeliveries. These are normal expenses that TBW would normally pay. If TBW were current on these, Fannie Mae would take no proceeds. The current amount Fannie Mae noted was $671M and they said it could come down. It is TBW's opinion that Fannie Mae owes them money.

- Notable is that in this call, Fannie Mae said that after this sale closes, Fannie Mae would be willing to readdress TBW's termination status.

4. On Monday there is a meeting in Orlando with the syndicated lenders and Lee Farkus. (b) (7)(C) and I will be there.

5. Cathie Kissick of Colonial received a call from (b) (7)(C) of the Hughes Companies yesterday. He said they are looking for a community bank to partner with in Orlando. Cathy told him she had a client in Orlando whose business is lending to community bands. He was very interested and is now meeting with Lee Farkas on Wednesday.

bcc: (b) (7)(C)

QC Chron File
PE File 23400-000-4

May 13, 2002

Mr. Lee Farkas
Chairman of the Board
Taylor, Bean and Whitaker
101 NE 2nd Street
Ocala, FL 34478

Subject: See Attachment

Dear Mr. Farkas:

We have completed a review of the 18 loan files you identified to us as having been underwritten and approved based on information that was materially misrepresented. Our review has confirmed serious issues with these loans and as a result we must request that they be repurchased (two loans have foreclosed and will result in a make whole rather than a repurchase). Our findings are outlined in Attachment A. Several of the loans were missing critical underwriting documents. We made several attempts to obtain this information and were informed by members of your staff that the missing documentation could not be found. Details of this are included in the attachment.

Our policy allows you 30 days to research these cases and respond to our findings. However, Colonial Bank is pressing to receive either funds or the original mortgage notes on these loans. If you agree with the findings in the attachment or have no further information to dispute our findings, please notify us immediately so we can process the repurchases. We will need specific written authorization from you to send the notes to Colonial Bank.

Sincerely,

(b) (7)(C)

SMS/lab

Attachment

FNM-TBW
0011814

Exhibit No. 29
(b) (7)(C)

(b) (7)(C) – 1677278920

The borrower's employment was misrepresented. Through reverification, we learned that the borrower never worked for this employer and the signature on the verification of employment was forged.

The lease agreement verifying the borrower's previous residence was misrepresented. Public records show that someone other than the person who signed as landlord is the owner and occupant of the property supposedly leased by the borrower.

(b) (7)(C) – 1677461698

The borrower's employment appears to have been misrepresented. Florida Corporate Records does not have a record of MJW Enterprises. The employer's address is shown as 3315 SW 42 St., Lauderhill, FL. Neither the Broward County Property Appraiser (www.bcpa.net) nor the United States Postal Service (www.usps.com) has a record that this address exists. When we called the employer's phone number shown on the loan application (b) (7)(C), the man who answered stated that there is no business at this phone number, it is a personal number.

The subject property's seller is shown as (b) (7)(C) is shown as (b) (7)(C) previous landlord. Also, the employer's address in the subject file is also shown as the address of (b) (7)(C) employer, Paralegal Services. (See also (b) (7)(C) files. Note different spellings for Mr. Walters' name.)

(b) (7)(C) – 1675279276

The borrower's employment was misrepresented. The borrower's second job is shown as (b) (7)(C) The verification of employment was signed by (b) (7)(C). Florida Corporate Records show that the owner's name is actually (b) (7)(C). The signatures on the VOE and on the corporate documents are different.

The property's value and actual sales price are questionable. Public records show that the seller acquired the property on September 27, 2000, from 1st National Bank, Chicago, for $80,500 as a foreclosure sale. The property was then sold to our borrower for $103,000. Both transfes occurred on the same day, October 13, 2000. The sales contract reflects a sales price of $100,000, yet the Warranty Deed indicates the sales price was $103,000.

(b) (7)(C) – 1675045337

The verification of rent shows the borrower's previous landlord was (b) (7)(C). (Note: see other files for references to (b) (7)(C).) Research shows that the property supposedly rented by the borrower is actually owned and occupied by (b) (7)(C); therefore, it appears that (b) (7)(C) was residing with relatives rather than renting her residence.

The borrower did not have sufficient funds to close on this transaction.

(b) (7)(C) – 1676348344

The borrower's employment and income were misrepresented. The Federal Employee ID Number on the W-2 for Penny's Home Care does not exist in Florida Corporate Records.

The phone number shown for the broker, Mortgage Capital of America, is actually registered to "Quality Processing Services, Inc."

The borrower's signature appears different throughout the file, as if it were signed by at least two different people.

(b) (7)(C) – 1677003377

The borrower's employment was misrepresented. The verification of employment from Brini Investigation Security was signed by (b) (7)(C). Florida Corporate Records show that the owner's name is actually (b) (7)(C). The signatures on the VOE and on the corporate documents are different. When we attempted to verbally verify employment, the individual answering the phone hung up when we asked to speak to (b) (7)(C)

The borrower's signature varies throughout the file.

The property's seller was (b) (7)(C). (Note: See the (b) (7)(C) files for references to (b) (7)(C), probably a relative of (b) (7)(C) Public records indicate this property was purchased by (b) (7)(C) on February 27, 2001, from (b) (7)(C); however, the appraisal dated March 9, 2001, did not mention this recent sale.

(b) (7)(C) – 1676988171

We have been unable to obtain a copy of the credit and property file for this loan. Without this documentation, we are unable to determine the risk associated with the transaction; therefore, the loan is ineligible for sale.

Closing documents show that the property was purchased from (b) (7)(C) on April 27, 2001. The Title Commitment shows that (b) (7)(C) had purchased the property just one month prior, on March 26, 2001.

(Note: See the (b) (7)(C) file for additional information regarding this property.)

(b) (7)(C) – 1676372465

The borrower's employment was misrepresented. Florida Corporate Records show that the corporation was dissolved. The employer's name is spelled differently in the Corporate Records than on the pay stub. The borrower's last name is misspelled on the pay stub but not on other documents within the file.

Neither the verification of deposit nor the verification of rent had a mailing address; therefore, it appears unlikely that these documents were actually mailed.

The borrower had no credit and non-traditional sources were not verified; therefore, the loan did not meet Fannie Mae's minimum underwriting requirements.

The property's value appears inflated. All of the comparable sales are superior to the subject.

(Note: The file we received for review had a copy of another sales contract for the borrower to purchase another property, located at (b) (7)(C) from (b) (7)(C) dated January 9, 2001. This property was actually sold to (b) (7)(C) on April 27, 2001. Signatures for (b) (7)(C) are very different in the two files.)

(b) (7)(C) – 1677200737

We have been unable to obtain a complete copy of the credit and property file for this loan. Without this documentation, we are unable to determine the risk associated with the transaction; therefore, the loan is ineligible for sale.

The borrower's employment and income appear to have been misrepresented. The loan application shows that the borrower was employed by Accurate Accounting. The Federal Employee ID Number on the W-2 for Accurate Accounting does not exist in Florida Corporate Records. (Note: See (b) (7)(C) file.)

(b) (7)(C) – 1676019339

The borrower's employment appears to have been misrepresented. Corporate Records show that he is one of the owners of the business. The verification of employment was signed by (b) (7)(C) as President; however, Corporate Records do not show this individual as an officer of the corporation. The property's seller was (b) (7)(C) who appears to also be one of the employer's owners.

An additional person, (b) (7)(C), signed on the sales contract, but is not shown on any other documents. (b) (7)(C) is also listed as one of the owners of the employer.

It appears the borrower was living with and/or renting from a relative; therefore, the rental verification was misrepresented. The verification shows the borrower's previous landlord was (b) (7)(C); however, public records show that the property where the borrower previous lived is owned and occupied by (b) (7)(C).

The subject transaction is a 95 percent purchase of a duplex. This does not meet enhanced eligibility requirements, and, therefore, was ineligible for sale to Fannie Mae.

The appraiser indicated that the property was subject to repairs. No final inspection was obtained.

(b) (7)(C) – 1677003740

The borrower's employment was misrepresented. Florida Corporate Records show that the Federal Employer ID Number on the W-2 belongs to a company in Ohio. Both the phone number and the address shown on the verification of employment are residential, not business.

The spelling of the borrower's name varies throughout the file. The note indicates the borrower's name is (b) (7)(C); however, the paystubs, W-2 & credit report show (b) (7)(C) In addition, public records shows that Light of Hope Financial Services is owned by (b) (7)(C). (Note: (b) (7)(C) also owns Karid Investments, Inc. See also the Bedoye and Cazeau files.)

The intent to occupy this property was misrepresented. Our research verified that another individual has been living in this property for over a year.

A Site X report revealed the seller (Light of Hope Financial Services) had just purchased the property one-month prior to closing the subject transaction. This was not disclosed on the appraisal. The recorded purchase price by Light of Hope was $47,000. The sale price of the subject transaction was $77,000.

The verification of deposit was misrepresented. Bank of America verified that the information presented was incorrect.

(Note: See (b) (7)(C) files for additional information.)

(b) (7)(C) – 1675143060

Our infile credit report disclosed that the borrower purchased another property and obtained a mortgage with Bank of America for $280,000 at the same time as the subject owner-occupied transaction.

Credit documents were not provided for our review.

The employer listed on the loan application is United Trade, Inc. Corporate Records indicate that one of the owners of this company is (b) (7)(C). (Note: See (b) (7)(C) file, TBW Loan # 97182. This appears to be the same individual.)

Social Security Administration shows that the social security number listed on the loan application belongs to a different individual, not our borrower.

The Mortgage references our borrower as 'a single woman'; however, the loan application indicates that the borrower is a male.

(Note: The seller of this property, Karid Investment, is associated with other properties. See the information on (b) (7)(C).)

(b) (7)(C) – 1674902028

(b) (7)(C) employment and income were misrepresented. The Federal Employer ID Number on the W-2 for Penny's Home Care does not exist in Florida Corporate Records.

Gift letter from sister shows the borrower's name spelled as (b) (7)(C) rather than (b) (7)(C) as shown on all other documents. Signature of (b) (7)(C) as gift recipient is different than signature on other documents.

An infile credit report shows that (b) (7)(C) also has credit in the name of (b) (7)(C). A "same-name" affidavit should have been executed.

(b) (7)(C) employment and income were misrepresented. The Federal Employer ID Number on the W-2 for Accurate Accounting does not exist in Florida Corporate Records.

(b) (7)(C) – 1677278919

The borrower's social security number is invalid. The Social Security Administration has no record of the social security number shown on the loan application and the credit report.

The borrower's assets were misrepresented. Washington Mutual verified that the borrower is not an owner of the checking account shown on the verification of deposit.

(b) (7)(C) – 1677003374

The borrower's employment was misrepresented. The phone number shown as the employer's number belongs to the landlord, (b) (7)(C). (Note: See other files for other information on (b) (7)(C) Public records show the Employer's Identification Number does not match the company's name. Wages and taxes shown on the W-2 are in even dollars.

It appears that the buyer's name has been altered on the sales contract.

The borrower's signature on the Note and Mortgage appears to be different from that on the other closing documents.

A search to determine ownership of the borrower's previous residence revealed that the Broward County Property Appraiser's Office does not have a record of a residence located at (b) (7)(C).

A second set of closing documents in the file shows a different property address, but the same loan number. In addition, this loan reflects a co-borrower, and the borrower's signature appears different on these documents that on the others.

(b) (7)(C) - 1676549381

The borrower's employment appears to have been misrepresented. A phone call was placed to the number shown on the loan application. The individual answering the phone said it was not Apple Investors, and hung up. Directory Assistance has no listing for Apple Investors. Florida Corporate Records shows that the Employer's Identification Number on the W-2 is an invalid number, and there is no corporation named Apple Investors in Florida.

The borrower's signature varies throughout the file, and is spelled differently on many of the documents.

The property seller shown on the HUD 1 is different from the seller on sales contract.

(b) (7)(C) - 1677200745

We have been unable to obtain a copy of the credit and property file for this loan. Without this documentation, we are unable to determine the risk associated with the transaction; therefore, the loan is ineligible for sale.

(b) (7)(C) - 1674780069

PMI has informed us that they intend to rescind mortgage insurance coverage on this loan due to the discovery of material misrepresentation at origination. This information was communicated to TBW directly in a letter dated April 30, 2002.

FannieMae

Samuel M. Smith, III
Vice President
Single-Family Operations
950 East Paces Ferry Road
Suite 1900
Atlanta, GA 30326
404 398 6110
404 398 6275 (fax)

Sent Via Facsimile and U.S. Mail

May 8, 2002

Taylor, Bean & Whitaker Mortgage Corporation
101 N.E. 2nd Street
Ocala, FL 34470-6642

Attn: Lee Farkas, C.E.O.

Dear Mr. Farkas:

As I mentioned to you, Fannie Mae is extremely concerned about the apparent absence of mortgage insurance coverage on a number of FHA, VA, Rural Housing and conventional loans sold by TBW to Fannie Mae and which are expected to be part of the pending servicing sale with GMACM.

During a recent review of the files on three seriously delinquent FHA loans, we found no evidence of insurance in the files, and your staff was unable to provide us with appropriate documentation that the required FHA insurance coverage was in place. Those loans are now part of a repurchase request. A review of additional loan records revealed that approximately 208 in the Fannie Mae portfolio may not be insured. A list of these loans is attached. More loans may be added to this list as we continue our investigation.

Please provide us with proof, in a form acceptable to Fannie Mae, that the required insurance coverage in validly in place for the loans on the attached list. We need to receive this proof no later than May 15, 2002. In addition, we request that you immediately advise GMACM that the loans on the attached list may not have mortgage insurance. Please provide us with a copy of any such notice that you provide to GMACM. It is essential that TBW, GMAC, and Fannie Mae reach agreement on the disposition of these loans before the transfer of servicing to GMAC takes place.

Fannie Mae reserves all rights and remedies available to it under the terms of the Mortgage Selling and Servicing Contract and other contractual provisions under which the loans were sold to Fannie Mae.

Sincerely,

(b) (7)(C)

Attachment

FNM-TBW
0003974

Opp
Exhibit No. 23
(b) (7)(C)

FANNIE MAE LOAN NUMBER	SERVICER LOAN NUMBER	Loan Type According to MS	Balance
4001582066	63058	CNV	$69,391.05
4001670081	120050	CNV	$233,915.32
4002168355	210260	FHA	$142,546.44
4002155165	88465	FHA	$80,495.74
4002036682	67622	FHA	$56,382.63
4002033521	61761	FHA	$87,642.87
4002155167	92772	FHA	$78,912.46
4001482578	93645	FHA	$89,523.82
4001660882	55316	FHA	$165,174.82
4001712258	63051	FHA	$138,137.73
4001370019	34880	FHA	$26,568.22
4001712264	68765	FHA	$74,636.61
4001499624	96245	FHA	$65,530.80
4002155163	108867	FHA	$118,815.04
4001473931	87467	FHA	$115,047.60
4002126842	167728	FHA	$96,083.64
4001606795	111632	FHA	$74,568.95
4002063099	95919	FHA	$150,298.58
4001994287	90021	FHA	$74,641.72
4001535587	98164	FHA	$94,889.86
4002028700	69137	FHA	$82,639.13
4001874855	90456	FHA	$113,427.57
4001670086	92078	FHA	$107,352.91
4001467121	89838	FHA	$151,833.55
4001874859	91794	FHA	$167,854.76
4001978259	178063	FHA	$124,128.24
4002033526	89932	FHA	$68,429.06
4001467071	56109	FHA	$87,372.29
4001874853	88101	FHA	$86,255.51
4001874860	92849	FHA	$55,289.57
4002086095	172607	FHA	$69,944.50
4002033525	88984	FHA	$126,840.60
4001766903	136050	FHA	$153,685.47
4002062187	97770	FHA	$71,109.46
4002102306	163566	FHA	$96,490.54
4001978262	174256	FHA	$114,661.33
4001582601	105434	FHA	$124,529.36
4001720958	138527	FHA	$62,588.28
4001722577	115103	FHA	$164,194.52
4000791812	36770	FHA	$78,043.37
4001948740	171814	FHA	$170,314.75
4001443388	83373	FHA	$97,215.42
4001660879	41803	FHA	$89,526.87
4001448183	84902	FHA	$68,609.84
4001712259	63271	FHA	$33,952.14
4001994289	93451	FHA	$93,437.37
4002062184	97341	FHA	$98,289.10
4002062174	67501	FHA	$116,944.57
4001443411	85571	FHA	$64,248.65
4001660881	52961	FHA	$58,623.03
4001443531	84508	FHA	$88,522.02
4002062182	96523	FHA	$113,437.39
4001994278	109357	FHA	$107,395.27
4001467076	81894	FHA	$84,710.76
4001874861	92987	FHA	$53,677.78

4002062175	85490	FHA	$48,752.86
4001994291	94968	FHA	$61,510.25
4001712261	66235	FHA	$83,949.63
4001874865	95146	FHA	$55,013.44
4001890491	161746	FHA	$84,850.52
4001563887	103995	FHA	$58,027.55
4001726284	127543	FHA	$111,690.87
4001443496	80351	FHA	$64,287.85
4002033915	91978	FHA	$79,702.95
4001872191	155539	FHA	$102,948.84
4001443372	82538	FHA	$95,393.20
4001660880	42917	FHA	$122,289.99
4001739995	126342	FHA	$85,781.16
4001931328	166916	FHA	$152,358.74
4002062177	90117	FHA	$33,227.15
4002062189	99882	FHA	$69,139.34
4001566630	93206	FHA	$53,841.22
4001848635	154608	FHA	$109,030.83
4001626737	118116	FHA	$49,629.46
4001710013	62201	FHA	$78,687.20
4001978260	136665	FHA	$81,847.31
4002028786	145819	FHA	$88,504.23
4002102311	162869	FHA	$149,980.52
4001443536	80204	FHA	$54,327.87
4002062162	122988	FHA	$91,360.83
4001535582	101268	FHA	$83,446.34
4002033522	67598	FHA	$40,823.33
4001467077	82560	FHA	$79,140.79
4002033523	82583	FHA	$68,433.73
4001994290	94185	FHA	$117,493.35
4001848276	135617	FHA	$75,579.52
4002033494	181742	FHA	$124,693.09
4002062164	181815	FHA	$59,837.62
4002028698	186796	FHA	$112,319.66
4002102314	191840	FHA	$77,169.73
4002084961	193049	FHA	$74,497.41
4002033498	193737	FHA	$86,534.70
4002033510	193741	FHA	$138,326.03
4002051093	196675	FHA	$115,810.38
4002035291	197527	FHA	$167,012.54
4002062166	199251	FHA	$108,654.43
4002161175	202283	FHA	$133,548.04
4002068868	202791	FHA	$94,093.74
4002116652	204307	FHA	$129,710.57
4002082673	204694	FHA	$171,614.46
4002155478	211515	FHA	$69,716.13
4001865196	87596	FHA	$74,827.49
4002155164	125350	FHA	$71,268.63
4002155166	92166	FHA	$123,477.27
4001712265	69383	FHA 10	$176,148.76
4001448179	80107	FHA 10	$62,425.20
4001473930	87194	FHA 12	$144,444.06
4001443478	69525	FHA1	$75,817.54
4001443481	57247	FHA1	$83,573.69
4001833058	145931	FHA1	$242,865.56
4002062167	118355	FHA1	$128,902.48
4002092113	96538	FHA1	$139,647.69

4001865270	69618	FHA1	$122,632.49
4001448042	69991	FHA1	$98,310.84
4001450511	84110	FHA1	$97,697.12
4001712257	62336	FHA1	$67,381.01
4001467112	88724	FHA1	$92,353.28
4002062168	119537	FHA1	$77,186.79
4001874858	91148	FHA1	$75,657.99
4001443399	84179	FHA1	$74,526.04
4001994286	88806	FHA1	$91,715.92
4001710014	63740	FHA1	$55,279.55
4002033527	91719	FHA1	$76,550.20
4001931332	167114	FHA1	$153,788.48
4001948792	90387	FHA1	$116,153.68
4002082676	190493	FHA1	$161,545.76
4001993863	192125	FHA1	$90,739.27
4002084963	94714	FHA1	$135,855.70
4000775884	36933	FHA1	$57,549.42
4001710017	66996	FHA10	$79,905.45
4002062183	96968	FHA2	$97,477.50
4002062181	95028	FHA2	$89,410.76
4001948745	166918	FHA2	$110,434.32
4002062176	88473	FHA2	$95,620.25
4001710015	64823	FHA2	$118,118.84
4002062169	120250	FHA2	$99,974.79
4001712256	61685	FHA2	$136,517.32
4001874852	86570	FHA2	$78,380.80
4002062185	97395	FHA2	$85,646.95
4002062188	99567	FHA2	$68,874.36
4001874864	94084	FHA2	$97,922.69
4002062179	91100	FHA2	$121,400.85
4002082674	83051	FHA2	$77,182.44
4001994285	88159	FHA2	$152,446.94
4002062160	114139	FHA2	$113,592.85
4002062180	92952	FHA2	$107,260.68
4002033520	147223	FHA2	$132,914.00
4002033528	92193	FHA2	$128,724.33
4002062186	97530	FHA2	$105,046.00
4002062178	90965	FHA2	$109,495.73
4002062161	119780	FHA2	$76,540.02
4001587182	105913	FHA3	$104,349.93
4001443557	85099	FHA3	$87,856.28
4001994284	88043	FHA3	$114,708.32
4001994288	90231	FHA3	$116,275.31
4001848634	155542	FHA3	$101,615.75
4001448055	84150	FHA3	$123,247.47
4001874857	91008	FHA3	$121,372.78
4001535584	99022	FHA3	$122,095.79
4001931330	156004	FHA3	$170,459.64
4001948747	156008	FHA4	$138,808.80
4001443490	69595	FHA4	$93,218.31
4001874866	96468	FHA4	$48,316.50
4001443524	83246	FHA4	$103,299.97
4001948749	86141	FHA4	$118,807.02
4001948750	87811	FHA4	$62,995.46
4001470944	81370	FHA5	$68,475.28
4001848011	135848	FHA5	$126,235.63
4001872194	91508	FHA5	$92,181.06

4001582065	70804	FHA6	$54,640.24
4001865195	62068	FHA6	$61,636.77
4001710016	66099	FHA6	$48,680.47
4001865197	93692	FHA6	$38,974.60
4001874862	93217	FHA6	$74,725.92
4001874856	90723	FHA6	$73,921.86
4001443384	83170	FHA7	$92,854.71
4001712263	68367	FHA7	$92,548.03
4001710020	86783	FHA	$78,897.62
4001443560	85186	FHA	$54,496.18
4000777202	35283	FHA	
4000791800	3780565	FHA	
4001457301	82388	FMH	$91,414.95
4001722578	122975	FMH	$74,253.75
4002033511	125589	FMH	$76,027.18
4002033512	125599	FMH	$76,245.97
4001948743	106764	FMH	$81,967.38
4001370025	32795	FMH	
4000396207	(b) (7)(C) T	VA	$36,572.44
4002082665	175847	VA	$163,469.64
4002082666	175968	VA	$72,829.68
4001993862	172789	VA	$89,023.26
4002033502	162317	VA	$201,893.84
4001016653	39030	VA	$79,974.31
4001563889	101968	VA	$157,453.56
4001136221	41721	VA	$68,867.59
4001890484	162114	VA	$69,400.07
4000811796	38794	VA	$73,757.24
4002033501	127278	VA	$135,338.75
4001930769	164908	VA	$74,898.63
4001890486	119239	VA	$110,142.81
4001473890	82468	VA	$69,519.03
4001983882	171050	VA	$112,526.47
4002062159	185919	VA	$124,738.16
4002033506	186646	VA	$118,427.13
4002033508	192393	VA	$177,719.75
4002155168	201539	VA	$169,424.17
4002138465	203232	VA	$55,813.68
4000128205	(b) (7)(C)	VA1	$37,210.50

Subject: Wire Received from TBW - 4/12
Date: Fri, 12 Apr 2002 14:49:57 -0400
From: [redacted] (b) (7)(C) Internal
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]

We received a wire for $1,436,843.00 today for the loans bought back by TBW.

Please let me know if you have questions.

Thanks
(b) (7)(C)

opp
Exhibit No. 07
11.7.07 (b) (7)(C)

FNM-TBW
0020489

EXHIBIT
tabbies

Subject: Message from Matt on issues for the 4:30 call
Date: Tue, 09 Apr 2002 16:30:30 -0400
From: [redacted] (b) (7)(C) [redacted] **Internal**
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]

THIS MESSAGE IS FROM (b) (7)(C), NOT (b) (7)(C)

Zach, here are the numbers we discussed on the phone earlier. Call me if any questions. (b) (7)(C) [redacted]

These numbers are for potential holdbacks:

1) Potential repurchases	$1,744,899
2) Fee Reconciliation	$1,152,477
3) Technology Fees	$ 863,985
4) Potential Investor Claim	$ 47,146
Total	$3,808,507

DETAIL FOR POTENTIAL REPURCHASES

1 repurchase in process	$ 84,492
8 EPDs in NUC to be reviewed	$ 768,354
8 to 9 repurchases from PPRs*	$ 892,053
Total	$1,744,899

* PPRs based on 42 loans in house to be reviewed. We applied TBW's 12-month average significant finding percentage on PPRs of 20% to the 42 loans to estimate 8 to 9 potential repurchases.

DETAIL FOR RECONCILIATION ISSUES

Information based on most recent report available for January 2002 and earlier deliveries.

EA/TPR	$643,637
Cash out refinances	$374,877
Misc. items	$133,963
Total	$1,152,477

DETAILS FOR TECHNOLOGY FEES

Past Due	$107,885	Return on credit card used for broker submissions
Currently Due	$756,100	

FNM-TBW
0020497

OPP
Exhibit No. 26
11.7.07 (b) (7)(C)

Total Due $863,985

Currently due figure comes from:

Est March fees	$236,900
Est April fees	$236,900
Est May fees	$282,300

These are estimated fees, but (b) (7)(C) wants these fees collected up front in order to keep the technology turned on for this lender.

DETAIL FOR POTENTIAL INVESTOR CLAIM

Problem is 12 loans delivered in error into two different MBS pools. The loans were repurchased by TBW from the second pool, but the possibility of an investor claim remains. The claim would most likely be for the amount of the premium the investor paid for the security.

Total pool balance for 17 loans:	$1,571,536
UPB of 12 loans	$1,055,951

this is 67% of the pool UPB

Home Office anticipates collapsing the entire pool.
The claim, based on a price of 103 on the security would be: $47,146

(b) (7)(C)
- South Florida
Fannie Mae
Servicing

FNM-TBW
0020498

[redacted] (b) (7)(C)

From: Farkas, Lee [LFarkas@taylorbean.com]
Sent: Wednesday, July 03, 2002 8:58 AM
To: Sophie B. Schubert (E-mail)
Subject: TBW

(b) (7)(C)

Thank you for all the support you have given to my company. Without RFC's help, we would not have made it to this point. I wanted to take a moment to make some points with you before we have our call this morning.

Please understand that since April 1, when Fannie Mae took their unnecessary, heavy handed actions, we have been under "siege" from every angle. Freddie, you, Colonial, MI companies, accountants, MDI, etc. have all been here poking around. We have been trying to operate a normal business, which has been impossible.

Of course we have problems. We know that. Our main problem is data integrity and systems. We know that. We have been working like crazy to get Loan Commander rolled out. This will take care of all of our operational problems. Period. When we have good data integrity, and loans don't "disappear" from our systems, we will not have the chaos that we now experience. Since (b) (7)(C) exit, our staff is working together. He intentionally created tension among departments and personnel. We have reassigned his duties.

I am spending most of my time trying to get the 144A offering done. We need capital. Everyone realizes that. The investment bankers tell me that the window is NOW for this deal, and we are scrambling. This is not a simple deal. We have to put together a full blown prospectus and offering, just as if we were going public. Our first "all hands" meeting will take place next Tuesday in our Atlanta attorneys' offices. In attendance will be us, FBR, FRB's counsel, our counsel, and D & T. My time is almost totally consumed with this over the next 4 weeks.

FBR has indicated that we were fortunate to make it through their underwriting committee. There are many, many deals out there that will not get done. They like our company, and especially CBO.

What I am asking for is a little breathing room here. I need to keep the place rolling along during the 144A placement. When we get the $60 million, we will indeed be a different company. We will be much more bankable from a warehouse standpoint. – Operational control -- rely only on Loan Commander?

Thanks for taking time to read this, and thanks for all the help. I really appreciate the effort you have personally put forth on our behalf. (b) (7)(C), Ray, (b) (7)(C) and I and the 600 TBW employees are very grateful to you.

Lee B. Farkas
C.E.O.
Taylor, Bean & Whitaker Mortgage Corp.

①

Oppenheimer
Exhibit No. 25
11.7.07 (b) (7)(C)

EXHIBIT
tabbies

RFC 005830
Confidential

COLONIAL BANK

Catherine L. Kissick
Senior Vice President

April 15, 2002

Mr. Zack Oppenheimer
Senior Vice President
Federal National Mortgage Association
1900 Market Street, Suite 800
Philadelphia, PA

SENT VIA FASCIMILE: 215-575-1745

Dear Mr. Oppenheimer:

On behalf of the lenders under certain loan documents (the "Lenders") with Taylor, Bean & Whitaker (TBW), Colonial Bank, as Agent, respectfully requests that the Federal National Mortgage Association (FANNIE MAE) rescind its termination of TBW as a Fannie Mae seller/servicer. Presently, we do not ask Fannie Mae to resume normal business operations with TBW. Instead, we request that Fannie Mae permit TBW to retain its seller/servicer status (albeit an "inactive" status) until Fannie Mae chooses to resume a business relationship with TBW. We also ask that Fannie Mae extend the deadline for TBW's signed Purchase and Sale Agreement until May 10, 2002.

The reasons for the requests are as follows:

1) Termination (or any status other than "approved") would violate TBW's warehouse agreement.
2) Termination could prevent future potential lenders from joining the warehouse facility.

Opp
Exhibit No. 251
11.07.07 C. PERKS

Mortgage Warehouse Lending Division
An Affiliate of The Colonial BancGroup, Inc.
201 East Pine Street, Suite 730, Orlando, Florida 32801
Telephone 407/835-6622 / Fax 407/245-7974
E-mail: cathie_kissick@colonialbank.com
www.colonialbank.com
AN EQUAL OPPORTUNITY EMPLOYER

FNM-TBW
0020535

3) The "Termination" status and the requirement to enter into a Purchase and Sale Agreement with a Fannie Mae approved seller-servicer by April 19, 2002 has caused concern with potential bidders, resulting in lower than normal verbal indicative bids from the original appraised price. It has also caused one potential bidder to mention possibly requiring the reps and warranties of the Lenders. The value reduction has been independently confirmed by discussions with at least two bidders and an independent consultant).

(A lower than normal price would directly affect the Lenders because the Lenders have lent TBW money against these servicing rights, documented with the appropriate agency acknowledgement agreements) Should the final contracted price be at this reduced level, it would diminish the Lenders' source of repayment and would reduce cash remaining for TBW).

We understand that TBW has fulfilled all obligations to Fannie Mae by repurchasing the ASAP loans that Fannie Mae requested. This was accomplished recently before Fannie Mae sent its last funding wires on April 3 and April 4, 2002, and again when TBW sent a final $1.5 million to Fannie Mae on April 12. Therefore, based on conversations with TBW management (b) (7)(C)), there should be no further ASAP repurchase requests or potential loan problems for Fannie Mae caused by TBW loans.

Additionally, based on TBW's previous status as a Fannie Mae "Best Practices" servicer, there appears to be little additional risk to Fannie Mae if it allows TBW until May 10 to work with the servicing broker to obtain the best price under the circumstances. Your extension will help the Lenders minimize our potential losses.

Fannie Mae has stated that it doesn't want to "hurt TBW or the lenders". Under the current scenario, TBW could be harmed and the Lenders could suffer unnecessary losses. Therefore, we request that Fannie Mae modify its actions as described in this letter. We hope you find the modification acceptable because it does not require Fannie Mae to conduct business with TBW until conditions are appropriate. We consider that the modification would eliminate a significant barrier to adding new warehouse banks in the future that are essential to provide TBW with an adequate source of funding. It also would help mitigate potential losses to the Lenders caused by the accelerated sale of the servicing rights.

The Lenders have many customers who sell loans to Fannie Mae. We appreciate the relationships that our customers have with Fannie Mae and consider ourselves as good Fannie Mae partners. We hope you understand the importance and urgency of the present requests. In any case, we look forward to working with Fannie Mae to resolve the TBW situation successfully.

Please contact either me at 407-835-6622 (w) or 407-399-6162 (cell), or (b) (7)(C) , Managing Director at GMAC/RFC, (b) (7)(C) at your earliest convenience.

Sincerely,

Catherine L. Kissick

Catherine L. Kissick
Senior Vice President/Director
Colonial Bank/Mortgage Warehouse Lending Division

FNM-TBW
0020536

(b) (7)(C)

From: Farkas, Lee [LFarkas@taylorbean.com]
Sent: Thursday, April 11, 2002 9:20 AM
To: (b) (7)(C) (E-mail)
Subject: BULLETIN

Importance: High

NL000121.doc

(b) (7)(C)

This is a sample of what we are battling. We lost $300,000,000 in gestation line space a week ago yesterday. We had $13,000,000 in checks returned the same day. We have done a fair job of switching our business around to keep the flow of dollars going out. Today, almost nobody will accept our loans for closing. This will be catastrophic. Cathie is trying to get with (b) (7)(C) to soften them up a little bit.

Cathie wants me to sell the company to the Asian group. I want to, and will, if there is anything left to sell. Unless we can get the loans outstanding funded today, I fear that it will be out of my control. There are closed loans from last week that have not funded due to lack of availability of funds, as I told you. Please let me know what you all are deciding about the warehouse line. I need to know what to say to the hundreds of phone callers I am dealing with.

On another note, (b) (7)(C) and I wrote a letter to (b) (7)(C) of Fannie Mae) this morning, appealing our case. I doubt it will make any difference, but we thought it worth a try.

The truth is that Fannie is not finding one thing wrong with anything here. This is evidenced by the fact that (b) (7)(C) (our Fannie Mae servicing rep) was supposed to stay here full time with the servicing portfolio, and is now only coming on Fridays. Cathie wants me to get Fannie Mae to make some statement regarding this, and they will not. The lawyers will not allow it.

Please call me to discuss our strategy as we go forward.

Thanks for all the help in the past.

Lee B. Farkas
C.E.O.
Taylor, Bean & Whitaker Mortgage Corp.
<<NL000121.doc>>

OPPENHEIMER
App
Exhibit No. 23
11.7.07 (b) (7)(C)

EXHIBIT
tabbies
_____

RFC 014731
Confidential

04/09/2002 12:48 COLONIAL BANK → 913012156288 RFC013820 NO.403 P002
01/09/2002 07:07 407 [illegible] 6637 COLONIAL BANK MTG. WHSE. → 94078356690 NO.941 P001
215 575 1404
APR 08 2002 18:09 FR 215 575 1404 TO 914078356637 P.01/02

[redacted] fax. 301-215-6288

[redacted] fax. 407-843-6610

[redacted] fax:

fax:

FANNIE MAE
NERO REGIONAL COUNSEL
1900 Market Street
Suite 800
Philadelphia, Pennsylvania 19103-0012
Fax: (215) 575-1404
Phone: (215) 575-1578

FAX TRANSMITTAL SHEET

TO: Catherine L. Kissick 407-835-6637
Senior Vice President, Colonial Bank

FROM: [redacted] 215-575-1578

DATE: April 8, 2002

TOTAL NUMBER OF PAGES INCLUDING COVER PAGE: 2

Please call if transmission is incomplete.

ADDITIONAL MESSAGE: Notice in reference to Taylor, Bean & Whitaker Mortgage Corp. is attached.

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA POSTAL SERVICE. THANK YOU.

OPPENHEIMER
Exhibit No. 22
11.7.07 [redacted]

Terminated lender —
allowing them to subservice pending a sale...

'Expectation is FNMA exposure is very little'

Consider wordsmithing to Δ status

Not looking at a sale w/

Provide TBW w/ short period of time to sell FNMA svc

winding down relationship...
Don't want to hurt TBW...

EXHIBIT

tabbies

RFC 013820
Confidential

FannieMae

Zach Oppenheimer
Senior Vice President
950 East Paces Ferry Road
Suite 1900
Atlanta, GA 30326
404 398 6080
404 398 6003 (fax)

VIA FAX (407-835-6637) and
CERTIFIED MAIL/RETURN RECEIPT REQUESTED

April 8, 2002

Colonial Bank, individually and as Collateral Agent
201 E. Pine Street, Suite 730
Orlando, FL 32801

Attention: Catherine L. Kissick, Senior Vice President

Dear Ms. Kissick:

Pursuant to the terms of the Acknowledgment Agreement by and among Colonial Bank, individually and as Collateral Agent, Fannie Mae and Taylor, Bean & Whitaker Mortgage Corp. ("Company"), Fannie Mae is giving you notice that, on April 1, 2002, it issued a termination of the Company's Servicing Rights under the Mortgage Selling and Servicing Contract between Fannie Mae and the Company.

This letter is also notice that Fannie Mae has agreed with Company that it may continue to subservice the Fannie Mae mortgage loans on behalf of Fannie Mae for a limited period of time pending a sale of the Servicing Rights.

Sincerely,

(b) (7)(C)

Zach Oppenheimer
Senior Vice President

Cc: Lee Farkas, Chairman, Taylor, Bean & Whitaker Mortgage Corp.

RFC 013821
Confidential

Subject: Taylor, Bean & Whitaker
Date: Sun, 07 Apr 2002 00:38:06 -0500
From: (b) (7)(C) Internal
Organization: Fannie Mae
To: Zach Oppenheimer (b) (7)(C)

Zach,
Friday morning (4/4) Lee Farkas held a high level management meeting via a teleconference call. Participants included Ray Bowman (Secondary), (b) (7)(C) , (b) (7)(C) , (b) (7)(C) , (b) (7)(C) and branch office managers from Chicago, California, all 5 Florida branches, all 8 Georgia branches, New Mexico, Nevada, North Carolina, and Illinois. Highlights of the meeting were:

- Our termination;
- Cause was 8 loans previously repurchased from GMAC and in inadvertently sold to us in his name;
- Our terms for the termination included completion of trade for those loans sitting in ASAP, etc., sale of servicing rights by 6/1/02, and immediately cease selling to us. Fannie Mae has been removed from the circulated price sheet;
- Permitting them to retain the servicing for 60 days allowing them to sell the servicing was a "very good thing" for them. That he saw some good opportunities coming out of this;
- There were some issues to address regarding their front end and work to be done;
- They will divert their business to Freddie and are very close to closing the deal with Principal for the servicing;
- The servicing division will remain stable. (b) (7)(C) told me she did not feel her position was in jeopardy, nor was her department;
- Lee expressed a desire to turn things around and someday do business with us again.

(b) (7)(C) in the servicing department that have been made purposely aware of part or all of the details in TBW's and Fannie Mae's change of relationship status.

(b) (7)(C) requested that I provide you with a plan to monitor TBW activity and servicing efficiency throughout the coming months in a less intrusive or invasive manner. I believe the plan I have outlined below, will accomplish this with our limited physical presence.

Week of 4/8/02 servicing consultant on location to ensure all custodial processes effected by the change in status are running smoothly; as well as, continue to observe management's activity.

Beginning with week, 4/15/02, servicing consultant will monitor remotely Monday through Wednesday as follows:
By 9:00 AM, TBW will transmit - Daily Deposit Log, Close-out report bundle, and Daily Balance Sheet of the prior business day's activity - These reports will permit us to monitor the correct amount of cash

FNM-TBW
0012219

OPP
Exhibit No. 21
(b) (7)(C)

is deposited to the custodial account, number of payment items processed, loans reinstated, escrow advances recovered by corporate). Balance the cash daily and insure the custodial account is swept and wired to our treasury account. Then, notify [redacted] (b) (7)(C) [redacted] daily of the distribution of the P&I funds collected, via e-mail (in lieu of Mortgage Links - MCRS for A/A, drafting on the 4th for MBS Express, and the 18th for MBS).

Beginning with week 4/15/02, servicing consultant will be on location each Thur and Friday to:

By 9:00 AM, TBW will transmit - Daily Deposit Log, Close-out report bundle, and Daily Balance Sheet of the prior business day's activity. - Review all escrow disbursement checks against the existing payee/vendor list prior to release.- Escrow disbursements for the payment of taxes and insurance are now segregated from other investors and will be held until Thursday each week. Consultant will request wire transfer from treasury account to TBW disbursement clearing account and supervise mailing of such checks. Daily cash will be balanced in the same manner as remote method and additionally, a weekly balance of the daily activity will be conducted each Friday on location. All hazard insurance and MI expiration lists will be reviewed during this time, as well as, real estate tax due lists.

*****All transmissions will be accomplished via e-mail from TBW to (b) (7)(C) to insure timely activity***

In addition to these cash processes and checks and balances, a recommendation is to have a loss mit specialist on location at least every other week for two to three days to enhance the default processes. This would require our loss mit specialist conduct hands on loss mit targeting, calling/counseling borrowers, etc. This will permit us to detect any negligence in payment posting, paying particular attention to any EPD conditions, while closely working with SDL's.

If you have any questions at all, please feel free to call me regardless of the day or time. . The cell # is (b) (7)(C), home phone (b) (7)(C) office (b) (7)(C). Thank you.
(b) (7)(C)

[redacted] (b) (7)(C) [redacted] - South Florida
Fannie Mae
Servicing

Subject: Re: Special Security Requirements
Date: Fri, 05 Apr 2002 15:43:19 -0500
From: [redacted] (b) (7)(C) [redacted] Internal
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]

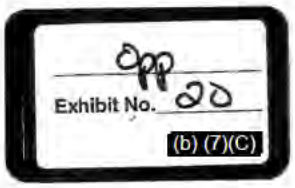
Update: Zach: We are still in final contract negotiations with the Guardsmark Security. Since this will not be resolved today, I have continued arrangements through Wackenhut for security on Monday and Tues 4/8 -4/9. Based on the reduced/revised hours the estimate is approx $500/day.

I also understand from our most recent conversation that these revised hours (9 a.m. - 5 p.m. are extended for Wed - Friday of next week. I will defer scheduling the latter until Monday pending resolution of the Guardsmark contract.

[redacted]

Zach Oppenheimer wrote:

> [redacted] these points are correct (and subject to change if the situation changes in Ocala). I will work with [redacted]s team to provide you with our projections for the balance of next week asap.
> Thank you,
> Zach
>
> (b) (7)(C) wrote:
>
> > Zack: this is to follow-up on our discussion re the changed security focus and requirements in Ocala:
> >
> > 1. Contract security is no longer required on a 24x7 basis; security presence is required only while Fannie Mae staff are phyically located on site.
> > 2. Security will be discontinued at COB today, 4/5/02 and resume Monday, 4/8/02 and continue during normal business hours on Tuesday, 4/9/02 (9 a.m. - 5 p.m.)
> > 3. Security focus is staff safety, not prevention/detection of document removal.
> > 4. Security requirements will be determined on an "as needed basis" weekly, unless otherwise changed.
> > 5. To maintain a low profile and reduce potential tension, security is to remain outside the building, but in close proximity to repond if required.
> >
> > I discussed the changed requirements with Guardsmark, the new company we are attempting to finalize a services agreement with today. Because of their business scheduling requirements, they require a minimum of two business days notice of required service. Thus, we must notify Guardsmark on Monday, 4/8 if security is required for Wednesday, 4/10, etc.. I'm sure that if we do



not provide the 2 day notice of termination of service for a particular date, they will also charge us for that.

I will also terminate the security services at the Partnership Offices and at SERO effective COB today where Wackenhut has had special security.

Please advise if any of the above is inaccurate or requires changes. Also, I need a Fannie Mae staff list in Ocala and contact numbers. Thanks

(b) (7)(C)

(b) (7)(C)
Corporate Security
Fannie Mae
(b) (7)(C) /FAX 202-752-2990

T.B.W.

4/8/02 ✓ Security - this wk - M-F - 9-5; Next wk Th F 9-5
(see Gloria's plan) - confirmed w/ [redacted] (b) (7)(C)

✓ Pair off - Need to investigate $1.2 M 'overpayment'* 3/21/02
Other funds being held by Linda Knight from Friday - *Controller office is expecting Repayment on 4-9-02.

[redacted] (b) (7)(C) ✓ Funding - Need ASAP delivery date - Yet [redacted] (b) (7)(C) has only 3 pools outstanding
ASAP hair at 4-4M Keith - $ [illegible] outstanding per ELMER SWSAB
[redacted] (b) (7)(C)
Return of ASAP file

✓ [redacted] (b) (7)(C) - Reserve account for expenses (outside counsel, security travel) - to be netted from servicing sale. - [redacted] (b) (7)(C) to take the lead.

[redacted] (b) (7)(C) memo summarizing title searches

✓ Servicing pledge - August, 2001 signed by [redacted] (b) (7)(C), L. Farkas + Colonial requires notice of termination to Colonial asap.

[redacted] (b) (7)(C) —

$143M	outstanding this morning
85M	assigned - (inc $37.3M Cash, $48.2 in MBS)
$58M	balance
- 31.5M	new pools in house
$26.5M	balance
24 M	coming in from TBW today?
$2.5M	still unallocated

Opp
Exhibit No. 19
C. PERKS

EXHIBIT
tabbies

60 loans have data problems or missing notes

FNM-TBW
0020331

Calls Tomorrow: ~~Noon~~ 12:30 + 4:30 pm

[redacted] (b) (7)(C) called/see - explained 4/8 letter to Colonial re: termination + process of sale of servicing portfolio.

4/9/02

TBW 4-9-02

Read msg from (b) (7)(C) of (b) (7)(C) [redacted] re: Colonial Bank call
Cathy Kissick - "concerned if there is fraud involved".
407-835-6622 10:20 pm.
(b) (7)(C) [redacted] explained Termination status - did not provide record(s) for action

$189M Chase, Comerica, RFC + Colonial
warehouse line

$55 M Servicing line - RFC + Colonial - covers all servicing

Lee told us: $310M - Colonial; $35M RFC; $200M Chase gestation line;
$150M - FRE "delayed certification" line

(b) (7)(C) [redacted] expressed a willingness to work with Colonial - potentially - on a plan to 'wordsmith' an agreement to address this issue.
Cathy - high maintenance account - but not bad. "This violates the warehouse line agreement." She will work w/ her counsel & Lee to propose a 'workout' agreement. Her counsel (b) (7)(C) [redacted]

12:30 pm - Conf Call

$57.9 M	ASAP line outstanding
-24.2	re - delivered MBS
20.9	" " Cash
$13.5 M	outstanding ASAP line
8.5 M	expected MBS } Need (b) (7)(C) [redacted] to validate
4.3 M	expected Cash }
800K	repurchases expected (shut downs)

(b) (7)(C) [redacted]

FNM-TBW
0020332

CSTD - 3 trades open = $4M - everything else paired off
We owe them $166,000
$2.1 M + $2.2 M owed by us to TBW - by Treasurer's Office
+ 500K
$4.9 M $166,000 due TBW via Colonial Bank

T.BW.

4/9/02 - [redacted] to confirm ASAP balance outstanding.

3PM - [redacted] - Lee Parker asked 3 questions:

Lee to work w/ Colonial on a proposal for our review -

(1.) would we allow a voluntary termination, in order to allow him to work with his warehouse lender

Zach - [redacted] (2.) needs a Fannie Mae contact for Principle Residential re: transfer of servicing - Bomi Mystry

(3.) re: conversation with Cathy Kissick - Zach's representation of Lee's Knowledge of the termination

3:30 [redacted]:

Repurchase Requests: $1.7M → ($900K - EPDs at NUC
84K - 1 NUC repurchase request)
800K - 20% sign of finding on outstanding PPRs)

Reconciliation of Fees: $1.15 M → ($643K E/A Fees - currently due - subject to reconciliation
374K Cred Out Refix
700 K - other - 8/10/00)

billed?
Risk - unlikely - prob. inaccurate

Technology fees: $107K → Past due - Credit Card return
756K Estimate - March, April, May

Potential Investor Claim: $47K → 12 loans ($1M) 2x delivery

$3.8M

4:30 ASAP $8.5M outstanding ASAP line
when all pools, cash & short downs are applied -
balance should be zero.

$2.1M ASAP + $2.2M ASAP + $166K CSTD + $500K ASAP = $4.617 M

FNM-TBW
0020333

T.B.W.

4/10 ✓ discussed [redacted] (b) (7)(C) issues with [redacted] (b) (7)(C)

✓ called [redacted] (b) (7)(C) + reviewed last night's No-Funding decision

→ ✓ [redacted] (b) (7)(C) can we track payoff letters to receipt of payoff proceeds within TBW? Also helps to address mortgage satisfaction process. (too many payoff requests)

→ ✓ [redacted] (b) (7)(C) - need to accelerate PPRs now - via EPDs at NUC

12:30 Call - $2.7 Million ASAP line + $800K buy back
14 loans still pending ($2 Million)

All trades to be settled tomorrow - per [redacted] (b) (7)(C) 4/11
$166,000 due TBW

ASAP - they owe us $270,425. Archana to send spreadsheet w/ loan level detail.

2:40 [redacted] (b) (7)(C) [redacted] (b) (7)(C) - Phoenix Capital - Denver brokerage firm
Principle has declined purchase of servicing portfolio. Lee explained situation - with Fannie Mae as servicing owner. Lee said it's a "fire sale" and needs to move quickly.
3 parts - according to Connie - 1 - Current "latest" production ~$1B
[redacted] (b) (7)(C) - "seasoned" portfolio 3 - "distressed" (non-performing) loans
[redacted] (b) (7)(C) - [redacted] (b) (7)(C) need IS help

[redacted] (b) (7)(C) - pair offs are done - all we need is PV of net fees for May + June - we owe TBW.

FNM-TBW
0020334

T.B.W.

4/10 4:30 Call -

ASAP - $2.7M ASAP line + $800K buybacks

14 loans still pending review/purchase

→ $1.2M ASAP line now

9 loans - Cash funding today - ASAP credit.

@ $270,000 due +/- need adjustments from today.

CSTD Trades - $166,[illegible] due TBW (now thru June)

@ $190M trades for APR - TBW have been paid off

TBW is out of the transaction completely.

(b) (7)(C) [redacted] post purchase adjustments - G. Fees - buy ups/downs

need to reconcile (we owe them @ $500K)

5:00 - (b) (7)(C) [redacted] spoke w/ (b) (7)(C) [redacted] - confused (b) (7)(C) [redacted] conversation

Seasoned - Prestwick Distressed - (b) (7)(C) [redacted]

(b) (7)(C) [redacted] explained our process for Servicing Sale.

Need Lee to sign Pof Atty form.

↑ awaiting signature

4/11 12:30 T.B.W.

ASAP: Zero balance –
$800,000. + 6 more loans "shutdown"
= $1.4M (we hold notes)
or $1.2M net of haircut refunds
"Receivable"

Cash commitments – : TBW owes us $1,700 for pairoffs
CSTD trades → ZERO

~~Debits~~ Credits:		Debits
$166,744	CSTD	~~[illegible]~~ repos
	ASAP	
445,000.	FEB	
~~500,000~~.	G Fee adjustments	
840,000	MARCH	1.7M.? Repurchase
1,658,000	2nd wire holdback	760K ? Tech Fee
3,		47,000 - 10K? Investor Claim
		1,700 Cash Pair-offs
		1.6M PMI repurchase
		988,000 Loan level pair adjustment
		1.2M ASAP shutdown

3PM - [redacted] met with [illegible] Kenley – wants [illegible] –
[illegible] – Friday

FNM-TBW
0020336

TBW

4/11 4:30PM -

ASAP line: $1.2M repurchases outstanding "shutdown" or receivable

(b) (7)(C) - request made to TBW.

$550,000 ASAP receivable - ?

- 45 loans - docs can be returned to Colonial or Glenn (39 NOTES)

- (b) (7)(C) - per (b) (7)(C) - $50M in lock-ins yesterday. good production

- RFC - (b) (7)(C) - called (b) (7)(C) considering an increase in TBW warehouse line - expecting servicing bids soon - timeline is short (4/12).

Trading desk: holding $166,000 - awaiting instructions

→ Possible month-end reconciliation process -

4/12 10AM - Call with (b) (7)(C)

Requested "inactive" seller/servicer member

Current status of TBW - Chase is not backing out of position; they (Chase) are encouraged - George will probably "leave soon." RFC added another $48M in credit. FRE meeting are going well - (b) (7)(C) (b) (7)(C) very supportive. Lee asked (b) (7)(C) to leave last month, but rescinded his request + wants him to leave. Lee wants to "do things right."

Most creditors want to see both a FNM + FRE approval in order to do business. Very concerned about Colonial Bank.

(b) (7)(C) explained that we have never lifted a termination while servicing was in place. Asked for a written proposal.

4/12/02 12:30 Conf Call - Pof A forms have been executed
$1.4M has been remitted by TBW
ASAP line: Zero $1.4M - 16 loans - Outstanding
★ → Receivable - $852,000 - to settle at activity

CSTD - TBW sent us $ yesterday, So we now owe
★ → them $96,000 + $166,000 ≈ $256,000.

Colonial - 5 notes need to be returned
39-40 notes need to be returned

1PM - [redacted] leaving TBW
1:15 - [redacted] - I called to discuss next week's security needs.
1:20 - I called [redacted] to address ASAP Com files at Alliance.
2:15 - LM for [redacted].

3PM - $1.4M wire rec'd from TBW.
3:05 - returned call to [redacted] at RFC - re TBW
Concerned about TBW's future as a going concern - RFC expanded lines to bridge between ASAP + FRE "stepping up."
3:15 - Called [redacted] w/ an update. -
[redacted] - hold until after 4/19 - files at Alliance
3:30 - [redacted] - returned call.

FNM-TBW
0020338

4/15/02 TBW Call

9:30 - [redacted] (b) (7)(C) - ASAP receivable due to "a lot of activity" including shut down and accrued interest - $852,000.

4:30 - [redacted] (b) (7)(C) w/ servicing language

4/16/02

11:30 - Conf Call - discussed issue of ASAP files at Alliance - need for servicing set up. due diligence, imaging, etc.

[redacted] (b) (7)(C) still waiting for Archive to obtain loan level supporting materials to collect $852K from TBW.

FICS - back up type of servicing portfolio - [redacted] (b) (7)(C)

Alliance's interest in TBW's servicing portfolio - Alliance has knowledge of TBW's breaches - (per Kenny)

(1.) Clayton Group analysis - Matt working on 12 'serious' findings

(2.) Ask [redacted] (b) (7)(C) re: data for ASAP line receivable

(3.) TBW is reviewing fee reconciliation ($1M due FNMA)

(4.) Technology fees + Community Banker Contract status (June 15)

(5.) 1 more repurchase request ($84,000) EPD - prop values

(6.) Potential investor claim

(7.) [redacted] (b) (7)(C) plan for 4/15 - Servicing transfer -

(8.) 3/1 notes due Colonial - [redacted] (b) (7)(C) working with [redacted] (b) (7)(C)

12:40 - Call with [redacted] (b) (7)(C) - Phoenix Capital - [redacted] (b) (7)(C) w/ 3 other people - will fax offering statements to me.

[redacted] (b) (7)(C) explained nature of termination and our ~~position~~ requirements for 4/19

4/16

3:45 - [redacted] Archane reports - need more resources -

4/17 - [redacted] (CO) has resigned but is still on the property.
I asked [redacted] to have [redacted] &/or [redacted] w/ [redacted] on Thurs & Fri.

9:30 - Call w/ [redacted] - Lee Farkas
Lee requested a list of repurchases for the past year.
Low bids on servicing portfolio - may lose his entire net worth.

1:30 - Cathy Kissick - claims Principals withdrew due to conflict of Ted & Phoenix Capital - I asked why additional time would help the process - They also need the termination lifted.

bids: 1.75 vs. 2.25 → 1.75 does not cover ~~this~~ Colonials interests
(4.8 $1 multiple)
(Chase, ABN, Alliance - bidders)
per - Sophie to Kenny

2:30 - [redacted] - spoke w/ [redacted] - bidding is heating up - they expect to have a signed letter by Friday. They expect to satisfy RFC and then give Colonial a pruning leer position on the balance of the portfolio.
Review of 4/17 TBW Servicing memo + Balance Sheet of 4/17
Pulling servicing data - to prepare for involuntary transfer

4/18 9:30 Conf Call - [redacted] presented $852,000 reconciliation/receivable to [redacted] in Ocala. [redacted] will also work with Ray in TBW.
FRE was in Ocala on Tuesday - Positive meeting.
(1.) [redacted] to collect $852,000.
(2.) [redacted] - PPRs + Clayton analysis - expecting Values on Friday (47 properties); Title reports - 6 of 12 resolved

FNM-TBW
0020340

4/18/02 T.B.W.

(3.) Cnty Banker Contract to expire 6/15. TBW purging DU/DO fees every Monday, for next 3 weeks.

(4.) No news on MBS investor claim

(5.) Notes to Colonial - 31 notes requested by Colonial - [redacted] gave TBW detailed report showing notes returned - will confirm receipt of notes by Colonial.

(6) [redacted] - EPD reviews (old FAA loans) do not look good.

(7.) Q-fee reconciliations still underway.; same w/other fee reconciliations

4/19/02 - Per [redacted] - they have a formal bid on every thing from Alliance. Also expecting bids from RBC-Centura. Alliance has first right of refusal.

4/19 3:30PM - Call w/ Farkas, [redacted] RFC + [redacted] Colonial

- It's clear from all 3 of you that everyone is trying to maximize the proceeds of on the sale of TBW's servicing portfolio

- It's unusual for FNMA to have left a servicing portfolio of this size in . . . LEE

LEE: are TBW + [illegible] today to produce evidence of a sale... Lee are you comfortable with us discussing a proposal of RFC + Colonial on the line

- [redacted] our desire to protect our interests but also to be as soop as possible with all parties, I'd like to propose an idea that addresses the key issues that all of you have raised with us
  - Need to more time to market
  - Want to address / improve bids from "termination" status.

- This is not a commitment - but a proposal for discussion

- RFC + Colonial exercise their rights under the acknow. agreement + request a transfer of servicing from TBW to them.
  (both approved S/S in good standing)
- We allow TBSW to tempor. Subservice
- Addresses

FNM-TBW
0020342

*1.5B (servicing portfolio as of 4/11)

4:15 [redacted] offer is very nice - GMAC Mortgage is doing this w/ RFC - [illegible] of all Potential holdbacks. *1.7B - per Lee everything -

5/7/02 [redacted] (b) (7)(C) called to discuss potential scope of FHA loans without MIC's. 3 out of 3 EPD's were FHA without MIC's.
190 FHA's potentially without MIC's – Need to check with FHA on these and 510 others. Potential $10-12M exposure.

Summary of Events
Taylor, Bean & Whitaker

- Taylor, Bean & Whitaker (TBW) was approved as a Fannie Mae seller/servicer in February 1995.
- Fannie Mae conducted an operational audit of TBW in October of 1999. The audit revealed numerous and significant weaknesses in cash management, investor reporting and account reconciliation. A Fannie Mae Servicing Consultant was assigned to TBW and spent a great deal of time during 2000 at TBW working with the lender in implementing controls and processes to resolve the audit issues. A follow-up audit conducted in February 2001 confirmed that adequate controls were in place at that time. However, we continued to have concerns about the ability of TBW management to sustain these controls, and we directed the Servicing Consultant to continue regular visits to monitor TBW's servicing activities.
- Fannie Mae also had ongoing concerns about the lack of appropriate attention to underwriting and quality control by TBW management. During an audit of files and processes by regional personnel in early 2002, serious control issues were discovered. Some of these same deficiencies had been evident during previous reviews. A face-to-face meeting with the company's management was held on March 6, 2002, to discuss these issues. TBW management promised remedial action.
- On March 21, 2002, the Atlanta loss mitigation team discovered several seriously delinquent Fannie Mae-owned loans in the name of TBW's President and other members of TBW's senior management. An investigation of the public records revealed that the named borrowers did not hold title to the mortgaged real estate and that the mortgages sold to Fannie Mae had never been recorded. The sale of these fraudulent loans to Fannie Mae represented a very serious breach of the Fannie Mae Selling and Servicing Contract.
- On April 1, 2002, Fannie Mae management made the decision to terminate the Mortgage Selling and Servicing Contract with TBW "for cause" due to the discovery of the fraudulent loans as well as other serious concerns with the lender's operation.
- A termination letter was delivered to Lee Farkas on April 1, 2002. Notice of the termination of TBW was also given to Colonial Bank pursuant to an Acknowledgement Agreement previously executed by Fannie Mae. (TBW had pledged its Fannie Mae servicing portfolio as security for a loan from Colonial Bank).
- On April 2, 2002, the Fannie Mae VP of SFB met with Lee Farkas, the President of TBW. Mr. Farkas confirmed that the loans in his name and in the name of other TBW officers were not valid loans, and he acknowledged that the loans should not have been sold to Fannie Mae.
- At the time of termination, the TBW servicing portfolio was approx. $1.7 billion and TBW had an outstanding Fannie Mae As Soon As Pooled line of approx. $189 million.

OFP
Exhibit No. 18
11.7.07 (b) (7)(C)

- Pursuant to the terms of the Mortgage Selling and Servicing Contract, Fannie Mae had the right at the time of termination to refuse to purchase any other loans from TBW, to terminate access to Desktop Underwriter and Desktop Originator, to immediately seize the servicing of the loans, and to move the servicing portfolio to another servicer without payment of any compensation to TBW. Such actions by Fannie Mae would have had a devastating affect on TBW's ability to continue as a viable company. With sensitivity to these issues and to the preservation of the value of the Fannie Mae servicing portfolio for the ultimate benefit of Fannie Mae, Colonial Bank, RFC, and TBW, Fannie Mae negotiated an arrangement for the orderly disposition and redelivery of loans sold to Fannie Mae under our ASAP program and for the quick sale of the servicing portfolio to another servicer. This arrangement was formalized in an agreement dated April 4 and gave TBW until April 19 to enter into a contract with another servicer for the purchase of the servicing portfolio. [Note - Fannie Mae seized ownership of the TBW servicing portfolio at the time of termination, but the April 4 agreement allowed TBW to act as an interim subservicer for Fannie Mae and to take the lead in marketing the servicing rights. The custodial accounts were moved to Fannie Mae's control, and the Servicing Consultant was onsite each week to monitor TBW's activities until the servicing was transferred.]
- TBW's website, Community Banks Online, had been built around Fannie Mae's Desktop Originator and Desktop Underwriter. Immediate termination of this access to DO/DU would have been devastating to TBW's business. Fannie Mae allowed TBW to continue to have access to DO/DU for a limited period of time until TBW could make changes to its website. [Note – all access to DO/DU has now been terminated.]
- Upon termination of TBW, we immediately deployed a team to Ocala, Fl, to go on-site for a thorough due diligence review of loan purchase files and loan servicing files. During the next several days, Fannie Mae staff worked with TBW and Colonial Bank, TBW's warehouse lender, to finalize the purchase or return of loans securing the ASAP line. Fannie Mae staff conducted a due-diligence effort on these loans prior to purchase.
- Fannie Mae also had regular but limited conversations with RFC regarding the status of the sale of the servicing portfolio.
- The bid deadline of April 19, 2002, was extended by Fannie Mae to April 23, 2002. On that day, a signed letter-of-intent to purchase the loan portfolio was received from GMACM.
- Subsequent to the April 4 agreement, another serious breach of the Mortgage Selling and Servicing Contract by TBW was discovered. Approx. 200 loans sold to Fannie Mae as FHA-insured loans did not have valid FHA insurance; evidence suggests that TBW management knew at the time of sale of these loans to Fannie Mae that the loans were not insured. These loans were repurchased by TBW.

- After GMACM conducted due-diligence, the Fannie Mae servicing portfolio was transferred to GMACM effective May 31, 2002.

- On June 12, 2002, and with the written consent of RFC and Colonial Bank, GMACM wired $14.784 million to an account designated by TBW and RFC. These funds represented the sales proceeds for the initial disbursement of the servicing sale. $1 million was sent to Fannie Mae to be held in an investment account until such time that all open issues regarding the TBW portfolio were resolved.
- After the transfer of the portfolio to GMACM, GMACM discovered 16 loans that had been seriously delinquent at the time of sale to Fannie Mae. Evidence suggests that TBW management knew that the loans were delinquent at time of sale and that TBW management had falsified the LPI date on the delivery schedule. Such actions represented a serious breach of the Fannie Mae Mortgage Selling and Servicing Contract. GMACM repurchased these loans from Fannie Mae, and TBW repurchased the loans from GMACM.
- On November 5, 2002, the $1 million held back from the purchase proceeds by Fannie Mae was wired, with interest, to RFC by Fannie Mae. As of this date, all outstanding issues between TBW and Fannie Mae relationship are resolved and all funds have been disbursed.
- My staff and I worked very closely and cooperatively with OGC and the Treasurer's office to make sure that all ASAP lines were completely repaid, loan repurchase requests were completed, all servicing was transferred and all fees due Fannie Mae were completely paid.

Subject: **[Fwd: TBW in Nat Mtg News]**
Date: Mon, 06 May 2002 15:14:20 -0400
From: [redacted] (b) (7)(C) **Internal**
Organization: Fannie Mae
To: [redacted] (b) (7)(C)

-------- Original Message --------
Subject: TBW in Nat Mtg News
Date: Mon, 06 May 2002 14:57:43 -0400
From: "[redacted] (b) (7)(C) [redacted]>
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]>

Taylor, Bean Switches to Freddie

Taylor, Bean & Whitaker, a $7 billion-a-year producer based in Ocala, Fla., is switching from Fannie Mae to Freddie Mac.

"We're going to sell all of our conventional production to Freddie," TBW chief executive and owner Lee Farkas told

MortgageWire. In 2001 the company sold $4 billion in product to Fannie, but now all its conventional production will wind

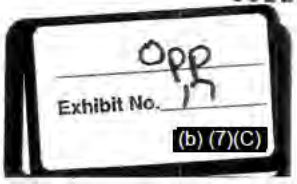
up at Fannie's chief competitor. The lender, which is almost 20 years old, also produces government-backed mortgages

that are insured by Ginnie Mae. Mr. Farkas said his decision to go "Freddie-only" was actually prompted by Fannie.

"Fannie requested that we disconnect our relationship," he said. "They never told me why, though." A spokeswoman for

Fannie declined to comment on the matter. (For more details, see the May 6 issue of National Mortgage News.)

FNM-TBW
0012143



Subject: TBW
Date: Fri, 12 Apr 2002 09:09:52 -0400
From: [redacted] (b) (7)(C) [redacted] **Internal**
Organization: Fannie Mae
To: Zach Oppenheimer [redacted] (b) (7)(C) [redacted]

(b) (7)(C) told (b) (7)(C) and me that TBW is having great difficulty persuading its title agents and closing firms to close new loans due to the bounced checks last week. He's expecting lawsuits. (speculation on his part)

Also, (b) (7)(C) received a call from a Florida Title yesterday regarding a "north florida" lender that is having closing/funding problems. This confirms (b) (7)(C) statements. ((b) (7)(C) did not discuss any details with Florida Title)

(b) (7)(C)

FNM-TBW
0020655

4/12/2002 9:48 AM

Opp
Exhibit No. 10
(b) (7)(C)

GMAC Mortgage

Re: Offer to Purchase Servicing Sale Offerings #Apr1202A and #12012A2 from Phoenix Capital and #0004 from Griffin Capital Partners between Taylor, Bean & Whitaker Mortgage Corporation ("Seller") and GMAC Mortgage Corporation ("Buyer") dated April 23, 2002

Acknowledgement

The undersigned Buyer acknowledges that it is aware that the Seller is in a terminated Fannie Mae status and that Fannie Mae will need to be part of the Purchase and Sale Agreement on a non-recourse, non-warranty basis.

Buyer also agrees to remit the Purchase Price to Fannie Mae, rather than to Seller.

The Buyer and the Seller recognize the importance of maintaining the confidential nature of this transaction. Both agree that they will take no action to publicize this sale of servicing in any trade or public media using the other party's name without the prior written approval of the other party, except as required by law.

Dated as of April 23, 2002

Seller
Taylor, Bean & Whitaker Mortgage Corporation

Signed: _____

Title: CEO

Buyer
GMAC Mortgage Corporation

Signed: (b) (7)(C)

Title: [redacted]

Fannie Mae
Signed: _____

Title: _____

GMAC Mortgage Corporation
3451 Hammond Avenue
Post Office Box 780
Waterloo, IA 50704-0780
Tel. (319) 236-5400
www.gmacmortgage.com

Opp
Exhibit No. 15
(b) (7)(C)

Fannie Mae
950 E. Paces Ferry Rd.
Suite 1900
Atlanta, GA 30326-1161

April 4, 2002

Taylor, Bean & Whitaker Mortgage Corp.
101 NE 2d Street
Ocala, FL 34470

Attn: Lee Farkas, CEO

Re: Agreement relating to Fannie Mae Mortgage Selling and Servicing Contract

Dear Mr. Farkas:

This letter agreement (the "Agreement") will set forth the agreement between Fannie Mae and Taylor, Bean & Whitaker Mortgage Corporation (the "Company") regarding, among other things, the status of the Company's Mortgage Selling and Servicing Contract with Fannie Mae, as supplemented by the Fannie Mae Guides (together, the "Contract"), the sale or delivery of any additional loans to Fannie Mae, the funding of loans under As Soon As Pooled® Plus or other Early Funding Agreements, and the servicing of Fannie Mae loans by the Company. This Agreement represents the full agreement and understanding reached between Fannie Mae and the Company and supercedes all prior discussions, agreements and contracts; provided, however, that this Agreement does not supercede the Custody and Control Agreement between the parties dated April 3, 2002, which shall remain in effect unless expressly modified by the terms of this Agreement.

Prior to April 1, 2002, the Company had been delivering loans to Fannie Mae and servicing on Fannie Mae's behalf a portfolio of mortgages owned by Fannie Mae (the "Servicing Portfolio"). By written notice dated April 1, 2002, Fannie Mae terminated the Contract for cause. Fannie Mae and the Company have now reached an agreement relating to the sale and funding of loans and the servicing of the Servicing Portfolio and other issues related to the Contract and its termination. Intending to be legally bound hereby and in consideration of the resolution of all disputed issues and the mutual agreements as set forth in this letter, Fannie Mae and the Company agree as follows:

1. Company acknowledges and agrees that the Contract was validly terminated for cause on April 1, 2002 and remains in a terminated status. Fannie Mae shall have no obligation at any time to rescind the termination or to reactivate Company as a seller and/or servicer of Fannie Mae loans, except as referenced in paragraph 6 hereof.

2. Company acknowledges and agrees that, as of April 1, 2002, Fannie Mae owns all legal rights relating to the Servicing Portfolio, including, without limitation, mortgage loans, documents, files, records (whether in paper, electronic or other form), and the

opp
Exhibit No. 141
(b) (7)(C)

FNM-TBW
0020554

right to any proceeds derived from a sale of the Subservicing of the Servicing Portfolio (the "Subservicing").

3. Company acknowledges and agrees that after termination of the Contract, Fannie Mae has no obligation to purchase loans from Company, and Company agrees that it will undertake no additional Fannie Mae customer service trading desk transactions. However, as part of this agreement as based on assurances given by Company, Fannie Mae has agreed to fund for the Company with payment to its warehouse bank on April 2, 2002, approximately $26.5 million for loans delivered under As Soon As Pooled® Plus subject to netting out certain required repurchase obligations as set forth herein and Fannie Mae fees related to the fundings. Fannie Mae will only fund loans that have a certified note and assignment. Fannie Mae will consider permitting Company to sell to Fannie Mae certain Expanded Approval mortgages under the terms of cash commitments to be issued no later than April 15, 2002. Fannie Mae agrees to consider an additional funding of loans proposed to be delivered under As Soon As Pooled® Plus of approximately $19 million, subject to netting of obligations due Fannie Mae, including a reserve for potential repurchase amounts. This potential $19 million funding is subject to verification satisfactory to Fannie Mae in its sole discretion, that the loans and original notes are valid. Fannie Mae is under no obligation to agree to such additional funding. Company specifically acknowledges and agrees that the loans on which the fundings are based and any other outstanding As Soon As Pooled® Plus loans (currently approximately $186 million outstanding) will be either redelivered into a cash commitment or redelivered into a MBS pool with an allocated forward trade by no later than 5:00 P.M., Eastern Standard time on April 9, 2002. Fannie Mae will return any other unfunded As Soon As Pooled® Plus deliveries to Company's warehousing bank. Fannie Mae has terminated, effectively immediately, the As Soon As Pooled® Plus Agreement dated March 7, 1997, the Sooner Than Pooled Agreement dated August 24, 2001, and the As Soon as Pooled/Early Purchase Option Agreement dated August 30, 1995, with the Company. Accordingly, no further transactions will be conducted under the terms of any of the referenced agreements.

4. As a result of the termination of Company under the Contract, an Event of Default has occurred under the terms of the As Soon As Pooled® Plus Agreement and the Sooner Than Pooled Agreement, and Fannie Mae hereby gives Company notice of the exercise by Fannie Mae of its option to make the Repurchase Date for each Mortgage Loan under the terms of the Agreements to be deemed immediate. Company's obligation to repurchase all Mortgage Loans under the As Soon As Pooled® Plus Agreement and the Sooner Than Pooled Agreement are now immediately due and payable. Fannie Mae reserves all other rights and remedies available to it under the terms of the referenced agreements.

5. Company acknowledges and agrees that the termination does not relieve the

Company of any of its obligations and responsibilities to Fannie Mae that existed prior to the termination, which continuing obligations and responsibilities survive this termination. Such continuing obligations include, without limitation, Company's obligation to repurchase and/or make Fannie Mae whole with respect to any recourse obligations that may exist, and any mortgage loans that Fannie Mae has determined, or may in the future determine, to have been sold in breach of Company's contractual selling or servicing representations and warranties. Company shall continue to honor any valid requests for repurchases as they may arise based on Fannie Mae's review of the Servicing Portfolio. Fannie Mae acknowledges that Company has completed the repurchase of twenty-eight (28) loans identified to Company, with an approximate UPB of $3,615,400. Company acknowledges that it has authorized Fannie Mae to net the repurchase price from the April 3, 2002 As Soon As Pooled® Plus funding described above.

6. Fannie Mae agrees, notwithstanding the issuance of the termination for cause, to give the Company until April 19, 2002, to permit Company to provide Fannie Mae with executed contracts acceptable to Fannie Mae in its sole discretion for the sale of all Subservicing. With respect to Expanded Approval loan servicing, the Company shall have until April 30, 2002, to accomplish the actions required as of April 19, 2002, for the sale of the Subservicing. If the Company fails to provide the required executed contracts by April 19, 2002, Fannie Mae at its sole discretion, provided that the Company is able to demonstrate that it is using its best efforts to obtain such contracts, may grant to the Company a limited extension to April 30, 2002 to provide the required contracts. Fannie Mae will work with Company to arrange an appropriate limited approval status to conduct such sale of servicing on behalf of Fannie Mae. Such sales contract must require the purchaser to undertake all contractual obligations of the Company with respect to the Servicing Portfolio, and to close such sale no later than June 10, 2002, with an effective date as of June 1, 2002. The proceeds thereof must first be used to satisfy any outstanding obligations due to Fannie Mae and obligations to any secured creditor or to third parties arising in any way out of the sale or servicing of the Servicing Portfolio. A failure to deliver to Fannie Mae the acceptable executed contracts for sale by April 19, 2002 or to close the sale no later than June 10, 2002, and effective as of June 1, 2002 shall constitute a breach under this Agreement. Company shall not acquire any additional Fannie Mae servicing, except as provided in this Agreement or approved in writing in advance by Fannie Mae in its sole discretion.

7. Subject to the provisions of paragraph 6 above, in order to facilitate the Company's ability to market the right to subservice, Fannie Mae further agrees to permit Company to subservice the Servicing Portfolio on behalf of Fannie Mae under the terms of this Agreement until the earlier of (a) finalization of a sale of the right to subservice, (b) a failure of the Company to adhere to the terms of this Agreement, or (c) June 1, 2002. This Subservicing arrangement is strictly subject to Company's

acceptable performance of all of the required servicing obligations related to the Servicing Portfolio, its continued compliance with the terms and conditions of this Agreement, and its agreement to permit continuous on-site monitoring of its servicing activity by Fannie Mae staff, which servicing must be satisfactory to Fannie Mae in its sole discretion, as well as Fannie Mae's right to maintain security staff on company premises. Company, for as long as it acceptably subservices the Servicing Portfolio during this limited time frame and complies with all of the terms of this Agreement, shall be entitled to collect a Subservicing fee equal to the servicing fee it received prior to termination, provided that Company has satisfied all of its financial obligations to Fannie Mae. Company shall adhere to the Fannie Mae servicing standards set forth in the Contract and its Servicing Guide and shall continue to be liable for all obligations as if it was the servicer of the Servicing Portfolio. Fannie Mae will permit Company temporarily to retain possession of the loan files, solely in its capacity as subservicer on Fannie Mae's behalf and subject to Fannie Mae's ownership interests in the loan files and funds. Fannie Mae shall control custodial funds and the wire back of funds as needed to honor tax and insurance obligations. Company acknowledges Fannie Mae's ownership rights to the Servicing Portfolio and its right to immediate possession of the loan files and related funds, and acknowledges that it has a duty to cooperate in immediately turning over to Fannie Mae all documentation relating to the Servicing Portfolio upon expiration or a breach of this Agreement.

8. Company agrees to execute such additional documents and to perform all acts as are necessary to implement the provisions of and to carry out the purposes of this Agreement, including but not limited to a Limited Power of Attorney with respect to the Servicing Portfolio in form and content satisfactory to Fannie Mae. Time is of the essence in the performance of the Company's obligations under this Agreement.

9. Company shall resolve all outstanding trading desk issues to Fannie Mae's satisfaction by April 10, 2002.

10. In the event any of the actions required hereunder are not finalized by the required dates, Company shall be in default under this Agreement and shall have no right to any income or revenues from the Servicing Portfolio or any proceeds derived from a sale of the Subservicing and Fannie Mae shall exercise all of its rights upon a default, including without limitation, immediately taking back the files and funds and Subservicing of the Servicing Portfolio.

11. In the event Company is able to finalize an acceptable sale of the Subservicing with a closing date no later than June 10, 2002, with an effective date as of June 1, 2002, without a prior default under the terms of this Agreement having occurred, the sales proceeds will be paid to Fannie Mae, and Fannie Mae will remit to

Company those sums remaining after Fannie Mae has reimbursed itself for the amount of all mortgages for which it has requested repurchase, all costs and fees, if any, incurred in connection with the Subservicing of the Servicing Portfolio, and all other amounts contractually due to Fannie Mae from the continuing obligations under the terms of the Contract or as referenced in this Agreement as well as any obligations due third parties arising in any way out of the sale or servicing of the mortgages in the Servicing Portfolio. Whether or not Company consummates a sale of the Subservicing, Company will nevertheless remain liable to Fannie Mae for its obligations in connection with the mortgages for which Fannie Mae has requested, or in the future may request, repurchase and all other obligations, specifically including recourse obligations, that exist under the terms of the Contract and which obligations continue to remain due under this Agreement.

12. In the event Company defaults under the terms hereof, breaches any of the requirements of this Agreement, fails to properly service the Servicing Portfolio, files for bankruptcy or, because of its own actions or actions of third parties, is unable to continue to subservice the Servicing Portfolio, Fannie Mae shall have the right to exercise any remedies set forth elsewhere herein, including but not limited to immediately removing all servicing files and all information and funds related to the Servicing Portfolio from the Company, and transferring the files to another subservicer. Fannie Mae reserves all of its available rights and remedies, and any delay or forbearance by Fannie Mae in the exercise of its rights or remedies shall not be a waiver of, or preclude, the exercise of any such rights or remedies thereafter.

13. In consideration of the mutual agreements contained herein:

(a) Company hereby releases and discharges Fannie Mae, and all of its officers, directors, agents, employees, attorneys, successors and assigns (collectively the "Fannie Mae Releasees"), of and from, and does hereby irrevocably waive, any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which Company ever had, now has or claims it might hereafter have or claim against any of the Fannie Mae Releasees, based upon or arising out of any matter or thing occurring, in whole or in part, on or before the date of this Agreement; and

(b) Company agrees to indemnify and hold the Fannie Mae Releasees harmless, of and from any and all rights, torts, claims, damages, attorney's fees, actions, causes of action, defenses and suits, of any nature whatsoever, and whether or not now known, suspected, or claimed, which now exist or may be brought by any third party, based upon or arising out of (i) any action or omission by Company, occurring, in whole or in part, on or before April 4, 2002; or (ii) the terms and conditions of this Agreement, including, without limitation, Fannie Mae's decision to terminate the

Contract, or Company's failure to accurately disclose the status of the Contract to any third party.

(c) Company represents and warrants the following:

(a) The undersigned has the power and authority to execute and deliver this Agreement, to perform fully its obligations hereunder, and to consummate the transaction contemplated hereby.

(b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite corporate action of Company.

(c) This Agreement is the legal, valid and binding obligation of Company, enforceable in accordance with its terms, and the execution, delivery and performance hereof by Company does not, and will not, violate any applicable law, certificate of incorporation or by-laws, contract or other instrument to which Company may be bound or affected.

14. Fannie Mae and Company agree that, without the prior written consent of the other party thereto, neither Fannie Mae nor Company, or their officers, directors or employees, shall disclose the contents of this Agreement (the "Confidential Information") to any third party other than to our employees, officers, directors, agents, any potential acquirer of the Servicing Income Stream and representatives, including attorneys and accountants, in each case who have a reasonable need to know the Confidential Information, or as may be required by law. However, Fannie Mae may disclose, without Company's consent, any of the Confidential Information that is or becomes generally available to the public other than as a result of a disclosure by Fannie Mae in violation of this Agreement, or that Fannie Mae is required to disclose by law or by regulatory or judicial process (including, without limitation, in connection with litigation, arbitration or other proceedings). Company acknowledges and agrees that Fannie Mae may disclose the Confidential Information to any servicer or subservicer it may engage in the event Company breaches or defaults under the terms of this Agreement, to any potential purchaser of the Subservicing to the extent necessary to provide such purchaser with an accurate statement of the Contract status. If Company is required to disclose the terms of this Agreement, Company shall accurately disclose the status of the Contract and the terms and conditions of this Agreement.

Please execute this Agreement where indicated below to indicate your acceptance and agreement to the terms and conditions set forth above and return an original, executed copy of this letter to me on or before April 4, 2002.

(b) (7)(C)

THE FOREGOING TERMS AND CONDITIONS ARE ACKNOWLEDGED AND AGREED TO:

Taylor, Bean & Whitaker Mortgage Corporation

BY: _____

Name/Title: LEE B. FARKAS, CEO

Date: 4/4/02

FannieMae

Samuel M. Smith, III
Vice President
Single-family Operations
1900 Market Street
Philadelphia, PA 19103-0012
215 575 1738
215 575 1900 (fax)
sam_smith@fanniemae.com

VIA HAND DELIVERY
AND FAX

April 1, 2002

Mr. Lee B. Farkas
Taylor, Bean and Whitaker
101 NE 2nd Street
Ocala, FL 34470

Re: Suspension of Taylor, Bean and Whitaker (the "Company") Selling Privileges and Ability to Add New Servicing

Dear Mr. Farkas:

Fannie Mae has been very concerned with origination and servicing problems at the Company. Because of our concerns with these problems, which constitute breaches under the Mortgage Selling and Servicing Contract, Fannie Mae is suspending, effective immediately, the Company's selling privileges and its ability to take on any new or additional servicing of Fannie Mae loans.

Fannie Mae reserves all rights and remedies available to it under the Mortgage Selling and Servicing Contract and any documents relating thereto. Any delay or forbearance by Fannie Mae in the exercise of its rights and remedies shall not be a waiver of, or preclude, the exercise of any such rights or remedies thereafter.

Sincerely,

(b) (7)(C)

Opp
Exhibit No. B
(b) (7)(C)

FannieMae

[redacted]
Single-family Operations

1900 Market Street
Philadelphia, PA 19103-0012
215 575 1738
215 575 1900 (fax)
(b) (7)(C)

VIA HAND DELIVERY
AND FAX

April 1, 2002

Mr. Lee B. Farkas
Chairman and Chief Executive Officer
Taylor, Bean and Whitaker
101 NE 2nd Street
Ocala, FL 34470

Dear Mr. Farkas:

Fannie Mae has determined that there exist material breaches of the provisions of the Mortgage Selling and Servicing Contract ("Contract") between Fannie Mae and Taylor, Bean and Whitaker ("Company").

Because these breaches present unacceptable risks for Fannie Mae, we are terminating your Contract for cause, effective immediately, pursuant to Part IX, Sections A and C.2 of the Contract.

(b) (7)(C)

OPD
Exhibit No. 12
(b) (7)(C)

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02)

I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02)

A lender may initiate a request to repurchase portfolio mortgages that it is servicing when it wishes to discontinue its contractual relationship with us or if it is discontinuing its overall operations and plans to place its servicing portfolio with a lender that does not do business with Fannie Mae. There may be other reasons for a lender-initiated repurchase—such as the lender's decision to remove a delinquent regular servicing option mortgage from an MBS pool or to remove a mortgage from an MBS pool to allow an assumption of the mortgage.

We require some repurchases because the terms under which the mortgages were purchased call for a repurchase under certain conditions or circumstances. Repurchases that fall into this category include those in which a mortgage is in violation of a contractual warranty, improper servicing had materially adverse effects on the value of a property, an adjustable-rate mortgage in an MBS pool is converted to a fixed-rate mortgage, a bankruptcy reorganization plan is confirmed for any MBS pool mortgage, or an MBS pool mortgage has been delinquent (or otherwise nonperforming) for 24 months. As an alternative to the repurchase of a delinquent special servicing option MBS pool mortgage, we provide for the automatic reclassification of the mortgage to a portfolio mortgage.

As part of our quality assurance system, our National Underwriting Center reviews a percentage of the mortgages we purchase or securitize to ensure that they meet our eligibility criteria and underwriting standards. We also review the underwriting of mortgages that have early payment defaults or those for which we acquired the property by foreclosure.

- We will not require the immediate repurchase of a mortgage when we identify significant underwriting deficiencies during a post-purchase review—as long as the mortgage is current, was not originated based on fraud or misrepresentation, and is not in violation of our mortgage eligibility requirements (including any applicable selling warranties) *and* the lender that sold the mortgage (or is now servicing it) is in good standing with us and is otherwise eligible to receive our "no-repurchase-of-performing-mortgages" exemption (as discussed in Section 208.08). Should the mortgage later become delinquent, we will review the individual circumstances to determine whether repurchase is warranted at that time.
- We may request the immediate repurchase of a mortgage when an early payment default underwriting review reveals significant underwriting deficiencies (even if the mortgage has subsequently been brought current).
- We may request either the immediate repurchase of a property or an indemnification against any losses we may subsequently incur when a post-foreclosure underwriting review reveals significant underwriting deficiencies.
- We will require the immediate repurchase of a mortgage—or of an acquired property—as a result of the lender's breach of any selling warranty (including instances of fraud or misrepresentation) or our determination that a selling warranty the lender made is untrue; under the terms of any applicable contract provisions; or because of servicing deficiencies that have had a materially adverse effect on the value of the property. However, in some instances in which the lender has breached its warranties or representations, we may allow the lender to correct the warranty violation or, in the case of an MBS pool mortgage, to substitute a qualified mortgage in lieu of repurchasing a mortgage (or a participation interest in a mortgage). (See Sections 208.01, 208.02, and 208.07 for more information.)

When we request a repurchase related to the lender's underwriting of the borrower's financial capacity or creditworthiness for a delinquent mortgage or a mortgage for which we have acquired the underlying property, the lender should work with regional office operating personnel to resolve any differences of opinion about issues surrounding the repurchase request (and, if appropriate, to demonstrate that a particular

Exhibit No. 11
11.7.07 (b) (7)(C)
EXHIBIT
OPPENHEIMER

underwriting consideration did not contribute to the mortgage default). Despite our best efforts, we may not always be able to reach a mutual agreement. In such cases, the lender generally must repurchase the mortgage (or our participation interest in the mortgage) or the acquired property. However, if a lender that is in good standing with us believes that our repurchase request is not justified, it may request an independent third-party repurchase review.

The lender must pay us the funds that are due in connection with a repurchase within 30 days (or with its next scheduled remittance following the completion of the 30-day period). Should we have to take legal action to enforce our right to require repurchase of a mortgage (or property), the lender will also be liable to us for our attorney's fees, costs, and related expenses, as well as for any applicable consequential damages.

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.01: Repurchase as Result of Warranty Violations (01/16/97)

I, 208.01: Repurchase as Result of Warranty Violations (01/16/97)

If our underwriting performance review discloses (or we otherwise learn) that a mortgage did not meet our requirements because it was in violation of a contractual warranty (including instances of fraud or misrepresentation), we will require the selling lender to repurchase the mortgage (or our participation interest in the mortgage). We may also require repurchase if any warranty the selling lender made is untrue—whether or not the lender had actual knowledge of the untruth—unless the warranty specifically states that a violation does not exist unless the lender had actual knowledge of the untruth. The fact that a mortgage has passed our quality assurance review or any other review we performed does not in any way limit our right to require repurchase if we later discover a warranty breach. In some instances, we may permit the lender to correct a warranty violation, rather than requiring it to repurchase the mortgage.

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.02: Repurchase as Result of Improper Servicing (01/16/97)

I, 208.02: Repurchase as Result of Improper Servicing (01/16/97)

We may review the servicing of mortgages that have experienced early payment defaults and those for which we have acquired the underlying property. If we determine that a portfolio mortgage was not properly serviced in accordance with the requirements of the Servicing Guide and the improper servicing had materially adverse effects on the value of the property, we may require the servicer to repurchase the mortgage (or the property).

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.03: Lender's Optional Repurchase of Portfolio Mortgages (06/30/02)

I, 208.03: Lender's Optional Repurchase of Portfolio Mortgages (06/30/02)

When the lender wishes to repurchase a mortgage or mortgages that we hold in our portfolio for any reason other than those discussed above, it must submit a written offer to its lead Fannie Mae regional office. (We will not approve requests to repurchase an MBS pool mortgage for any reason other than those stated in this Section 208, nor will we approve requests to repurchase a portfolio mortgage in connection with a conditional tender of payment that is used as an alternative to refinancing the mortgage.) The offer to repurchase portfolio mortgages must explain the reason for the request; identify the mortgages to be repurchased, by coupon rate and participation certificate yield (if applicable); set forth the specific terms and conditions of the repurchase; and specify the purchase price the lender is offering. After evaluating the offer, we will notify the lender of our acceptance or declination or of any counteroffer we propose.

I, 208.04: Lender's Optional Repurchase of Certain MBS Pool Mortgages (06/30/02)

Under certain circumstances, the servicer of a delinquent regular servicing option MBS pool mortgage may repurchase the mortgage (or our participation interest in it) from the pool.

- The servicer may repurchase the mortgage after it has four payments past due. If the servicer chooses not to repurchase the mortgage at this time, it must continue to advance "scheduled" principal and interest payments for the mortgage until it is removed from the MBS pool (See Part VIII, Section 210, of the Servicing Guide for more information).
- The servicer may repurchase the mortgage as an alternative to enforcing the due-on-sale (or due-on-transfer) provision and calling the mortgage due and payable. After removing the mortgage from the MBS pool, the servicer may allow an assumption of the mortgage. (See Part III, Section 408.06, of the Servicing Guide for more information.)

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.05: Lender's Mandatory Repurchase of Certain MBS Pool Mortgages (06/30/02)

I, 208.05: Lender's Mandatory Repurchase of Certain MBS Pool Mortgages (06/30/02)

Under certain circumstances, the servicer of an MBS pool mortgage must repurchase a mortgage (or our participation interest in it) from the pool.

- The servicer must repurchase from an MBS pool any convertible adjustable-rate mortgage for which the borrower exercises the option to convert to a fixed-rate mortgage. If the "take-out" post-conversion disposition option was specified in the original MBS pool purchase contract, the servicer must redeliver the converted mortgage to us as a whole mortgage cash purchase. However, if the "market rate" option was specified in the original contract, the servicer is not required to redeliver the mortgage to us—although, if it chooses to do so, it may redeliver the mortgage as part of a new MBS pool of fixed-rate mortgages or as a whole mortgage cash delivery. (See Part IV, Section 107, of the Servicing Guide for more information.)

- The servicer must repurchase from an MBS pool any mortgage upon confirmation of a bankruptcy reorganization plan that includes the security property as one of the borrower's assets. This requirement generally applies to all MBS pool mortgages, regardless of whether they are current or delinquent when the plan is confirmed and whether they are serviced under the regular or special servicing option or under the terms of a special recourse arrangement.

  - We will allow the servicer of a special servicing option mortgage that is current when the reorganization plan is confirmed to redeliver the mortgage to us as a portfolio mortgage (under special delivery arrangements made through the servicer's lead Fannie Mae regional office). If the mortgage is delinquent when the reorganization plan is confirmed, the servicer may request us to reclassify the mortgage as a portfolio mortgage under the provisions of Section 208.06 below.

  - We will allow the servicer of a regular servicing option mortgage that is current when the reorganization plan is confirmed to leave the mortgage in the MBS pool, as long as the servicer continues to monitor the status of the mortgage and repurchases the mortgage once it becomes 24 months delinquent under its original terms (even if the bankruptcy reorganization plan remains in effect at that time). This same exception may be applied for any regular servicing option mortgage—regardless of its payment status—if the mortgage is not covered by the terms of the bankruptcy reorganization plan.

- The servicer must repurchase from an MBS pool any mortgage after it has been delinquent (or otherwise nonperforming) for 24 months. This repurchase requirement applies to all delinquent MBS pool mortgages, regardless of the servicing option or recourse arrangement under which they were purchased, even if a negotiated contract between Fannie Mae and the lender specified otherwise. (See Part VIII, Section 210, of the Servicing Guide for more information.)

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.06: Reclassification of Certain MBS Pool Mortgages (06/30/02)

I, 208.06: Reclassification of Certain MBS Pool Mortgages (06/30/02)

Rather than requiring the servicer to repurchase certain delinquent MBS pool mortgages that are serviced under the special servicing option—those for which Fannie Mae has the entire foreclosure loss risk and those for which Fannie Mae and the servicer share the foreclosure loss risk (with Fannie Mae having the responsibility for marketing the acquired property)—we will automatically reclassify a mortgage that satisfies our selection criteria as an "actual/actual" remittance type portfolio mortgage. Generally, we will select for automatic reclassification mortgages that have at least four payments past due. To control volume, we may limit our selection at any time to mortgages that are more seriously delinquent than this or to mortgages that fall into specific pass-through rate categories. Each month, we will send a notification over MORNET to any servicer that is servicing a mortgage that we have selected for reclassification in the following month (See Part VI, Chapter 3, of the Servicing Guide for more information about reimbursement for delinquency advances related to removal of the mortgage from the MBS pool.)

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.07: Substitution in Lieu of Repurchase of MBS Pool Mortgages (06/30/02)

I, 208.07: Substitution in Lieu of Repurchase of MBS Pool Mortgages (06/30/02)

If a mortgage in an MBS pool is found to have been in breach of any of the lender's warranties or representations, we may require the servicer to substitute a qualified substitute mortgage (or a participation interest in one) for the defective mortgage instead of requiring the servicer to repurchase it—if the servicer owns a qualified mortgage that is reasonably available for substitution within the two-year period following the original issuance of the securities backed by mortgages (or participation interests) in the related MBS pool.

A mortgage (or a participation interest in one) is considered as a "qualified substitute mortgage" if it

- is of the same loan type and amortization type as the defective mortgage—FHA mortgages must replace FHA mortgages, conventional mortgages must replace conventional mortgages, fixed-rate mortgages must replace fixed-rate mortgages, adjustable-rate mortgages must replace adjustable-rate mortgages, etc.;
- has the same participation interest share as that of the defective mortgage, if only a participation interest in the defective mortgage had been transferred to Fannie Mae;
- provides for similar percentage and frequency of payment adjustments effective on similar dates as the defective mortgage, if the two mortgages are growing-equity mortgages;
- has the same ARM plan number as the defective mortgage, if the two mortgages are both adjustable-rate mortgages, and has a first payment date, mortgage margin, mortgage interest rate ceiling or floor, interest rate change dates, and payment change dates on the date of substitution that are within the ARM pool parameters established on the original MBS issue date;
- has a final maturity that is not later than the final maturity of any mortgage in the related MBS pool and that is not more than two years earlier than the original final maturity of the defective mortgage;
- has an interest rate that is higher than the applicable pass-through rate for the MBS pool by, at least, the greater of .500% or the sum of the applicable guaranty fee and servicing fee, but does not exceed the maximum rate permitted by the pool parameters, if the mortgage is a fixed-rate mortgage; had an original interest rate identical to the original interest rate of the defective mortgage and has the same interest rate as the defective mortgage on the date of substitution, if the mortgage is an adjustable-rate mortgage; or has the same interest rate as the defective mortgage, if only a participation interest in a fixed-rate defective mortgage had been transferred to Fannie Mae;
- has an unpaid principal balance on the first day of the month of substitution—after application of all payments due on or before that date—that is not greater than the security balance of the defective mortgage (or the replaced participation interest); and
- meets other specific eligibility requirements for mortgages (or participation interests in mortgages)—such as the limitation on the amount of negative amortization for an adjustable-rate mortgage—that are included in MBS pools.

When the servicer substitutes a qualified substitute mortgage for a defective MBS pool mortgage, it must prepare an amended *Schedule of Mortgages* (Form 2005) to reflect the withdrawal of the defective mortgage (or participation interest) and the assignment of the substitute mortgage (or participation interest) to Fannie Mae. If the lender had transferred only a participation interest in the defective mortgage to Fannie Mae, it must also issue a new participation certificate to assign the substitute participation interest to us. If necessary to effect the substitution, we will make an appropriate assignment of the replaced participation interest in the defective mortgage to the servicer.

By delivering a substitute mortgage (or participation interest), a servicer makes the required selling warranties and representations for the substitute mortgage as of the first day of the month of substitution.

Fannie Mae Single Family / 2002 Selling Guide / Part I: Lender Relationships (06/30/02) / I, Chapter 2: Contractual Relationship (06/30/02) / I, 208: Repurchase or Mortgage Substitution Requirements (06/30/02) / I, 208.08: "No-Repurchase-of-Performing-Mortgages" Exemption (06/30/02)

I, 208.08: "No-Repurchase-of-Performing-Mortgages" Exemption (06/30/02)

The "no-repurchase-of-performing-mortgages" repurchase exemption is available only to a lender that is in good standing with us and that otherwise satisfies our eligibility criteria. (If the servicing of a mortgage has been transferred to a lender other than the one that sold it to us, eligibility for this benefit will be based on an evaluation of the servicer.) In determining a lender's (or servicer's) eligibility for this exemption, we will evaluate

- the quality of the mortgages the lender sells to (or services for) us, as measured by comparing the delinquency rates for comparable portfolios;
- the quality of the servicing performance, as measured by the lender's loss mitigation activities; and
- the overall financial strength of the lender, as reflected in the lender's annual financial statements and any other periodic financial reports the lender submits to us.

We will also periodically assess the lender's on-going underwriting performance and contingent repurchase exposure (the lender's repurchase risk exposure in relation to its financial ability). When appropriate, we may change the lender's eligibility status for this exemption.

Should our post-purchase review of a mortgage delivered by a lender that qualifies for the "no-repurchase-of-performing-mortgages" exemption identify a significant underwriting deficiency, we will notify the lender of the finding, but will not request repurchase of the mortgage at that time. (A lender that prefers to resolve potential repurchase issues when they first occur rather than waiting to see whether the mortgage will subsequently go into default should contact us when it receives this notice.) We will advise the lender of our intention to monitor the performance of the mortgage on an on-going basis. Then, if the mortgage subsequently becomes delinquent, we will review the individual mortgage file and the noted deficiency, taking into consideration the age of the mortgage, the entire payment history for the mortgage, the reason for the default, and the relevance and seriousness of the underwriting deficiency. When we determine that the underwriting deficiency contributed to the default and that a repurchase is appropriate, we will issue a repurchase request to the lender.

I, 208: Repurchase or Mortgage Substitution Requirements (09/30/05)

A lender may initiate a request for our approval to repurchase portfolio mortgages that it is servicing when it wishes to discontinue its contractual relationship with us or if it is discontinuing its overall operations and plans to place its servicing portfolio with a lender that does not do business with Fannie Mae. There may be other reasons for a lender-initiated repurchase—such as the lender's decision to remove a delinquent regular servicing option mortgage from an MBS pool or to remove a mortgage from an MBS pool to allow an assumption of the mortgage, when permitted by *Section 208.04* below.

We require some repurchases because the terms under which the mortgages were purchased or securitized call for a repurchase under certain conditions or circumstances. Repurchases that fall into this category include those in which a portfolio or MBS mortgage is in violation of a contractual selling warranty, improper servicing of a portfolio mortgage has materially adverse effects on the value of a mortgage or property, an adjustable-rate mortgage in an MBS pool is converted to a fixed-rate mortgage, or an MBS pool mortgage that has 24 payments past due. As an alternative to the repurchase of a delinquent special servicing option MBS pool mortgage, we provide for the automatic reclassification of the mortgage to a portfolio mortgage.

As part of our quality assurance system, our National Underwriting Center reviews a percentage of the mortgages we purchase or securitize to ensure that they meet our eligibility criteria and underwriting standards. We also review the underwriting of mortgages that have early payment defaults or those for which we acquired the property by foreclosure.

- We will not require the immediate repurchase of a mortgage when we identify significant underwriting deficiencies during a post-purchase review—as long as the mortgage is current, was not originated based on fraud or misrepresentation, and is not in violation of our mortgage eligibility requirements (including any applicable selling warranties) ***and*** the lender that sold the mortgage (or is now servicing it) is in good standing with us and is otherwise eligible to receive our "no-repurchase-of-performing-mortgages" exemption (as discussed in *Section 208.08*). Should the mortgage later become delinquent, we will review the individual circumstances to determine whether repurchase is warranted at that time.

- We may request the immediate repurchase of a mortgage when an early payment default underwriting review reveals significant underwriting deficiencies (even if the mortgage has subsequently been brought current).

- We may request either the immediate repurchase of a property or an indemnification against any losses we may subsequently incur when a post-foreclosure underwriting review reveals significant underwriting deficiencies.

- We will require the immediate repurchase of a mortgage—or of an acquired property—as a result of the lender's breach of any selling warranty (including instances of fraud or misrepresentation) or our determination that a selling warranty the lender made is untrue; under the terms of any applicable contract provisions; or because of servicing deficiencies that have had a materially adverse effect on the value of the mortgage or the property. However, in some instances in which the lender has breached its warranties or representations, we may allow the lender to correct the warranty violation or, in the case of an MBS pool mortgage, to substitute a qualified mortgage in lieu of repurchasing a mortgage (or a participation interest in a mortgage). (See *Sections 208.01*, *208.02*, and *208.07* for more information.)

When we request a repurchase related to the lender's underwriting of the borrower's financial capacity or creditworthiness for a delinquent mortgage or a mortgage for which we have acquired the underlying property, the lender should work with its Servicing Consultant to resolve any differences of opinion about issues surrounding the repurchase request (and, if appropriate, to demonstrate that a particular underwriting consideration did not contribute to the mortgage default). Despite our best efforts, we may not always be able to reach a mutual agreement. In such cases, the lender generally must repurchase the mortgage (or our participation interest in the mortgage) or the acquired property. However, if a lender that is in good standing with us believes that our repurchase request is not justified, it may request an independent third-party repurchase review.

Whenever our *Guides* permit or require repurchase of a mortgage without redelivery to Fannie Mae's portfolio and, at the time of the purchase, title to the security property has passed to Fannie Mae (or is held for Fannie Mae but is in the name of the servicer pursuant to its duties as Fannie Mae's servicer), the language of the *Guide* will be applied to require purchase of Fannie Mae's interest in the property. The purchase price will be the same as if the lender were repurchasing the mortgage (with accrued interest and other adjustments, including Fannie Mae's property-related expenses such as maintenance and marketing expenses, through the date of purchase). The purchase price is not based on the market value of the property at the time of the purchase. Further, when the servicer purchases the property, we also will convey all rights as owner of the loan (e.g., deficiency rights), if any, that we may still have pursuant to applicable state law, but we have no obligation to the servicer to have preserved such rights.

The lender must pay us the funds that are due in connection with a repurchase within 30 days (or with its next scheduled remittance following the completion of the 30-day period). Should we have to take legal action to enforce our right to require repurchase of a mortgage (or property), the lender also will be liable to us for our attorney's fees, costs, and related expenses, as well as for any applicable consequential damages.

VI, Chapter 2: Repurchases (01/31/03)

We may require the repurchase of a mortgage (or of an acquired property) as the result of the selling lender's breach of any contractual warranty, under the terms of any applicable repurchase agreement or contract provisions, or because of servicing deficiencies that have a materially adverse effect on the value of the security property. We also permit servicer-initiated repurchases under certain circumstances. (For more information, see *Part I, Section 208*.)

03367X NOV 28, 2000 ACT 1.0
SERVICE IDA BILL 1
TRACKING# 1Z03367X0144842760
REF 1:
REF 2:

PUB SVC CHG $13.00 NPK 1
IV $0.00 COD $0.00
DC $0.00 ARS $0.00
AH $0.00 SD $0.00
HNDL $0.00 SP $0.00
NTFY $0.00 HZMT $0.00
PUB/NET CHG $13.00 $13 00

November 28, 2000

(b) (7)(C)

Fannie Mae
950 East Paces Ferry Road
Suite1900
Atlanta, GA 30326

Dear (b)(7)(C):

In response to your letter dated November 6, 2000 and numerous telephone conversations with (b) (7)(C), we respectfully request that you approve the transfer of the 1,121 loans to GMAC Mortgage Corporation. Our reasons are as follows:

1) It will create a real economic hardship on our company if we are not allowed to transfer the loans at this time. Our contract with GMAC only allows for transfer of certain loans based on the month of origination and securitization. If we are unable to transfer the loans at this time, they will not be able to be transferred, therefore overburdening our balance sheet with un-hedged servicing rights.
2) We are responding to the requests for repurchase of the twenty-six loans in question even as I write this letter. We have written letters to your quality control people requesting reversal of your re-purchase requests on twelve of the loans already. We will be sending ten additional such requests by this coming Friday. We are agreeing to repurchase the remaining four loans immediately.

It is embarrassing to me that we find ourselves answering the repurchase demands at this very late date. If you will approve this transfer, I will commit to making sure that we handle these requests on a timely, efficient basis in the future.

Please do not hesitate to contact me, should you find it necessary.

Sicnerely,

Lee B. Farkas
C.E.O.

CC (b) (7)(C)

FNM-TBW
0002502

OPPENHEIMER
Exhibit No. 18
11.7.07 (b) (7)(C)

Taylor, Bean and Whitaker

Subject: Taylor, Bean and Whitaker
Date: Mon, 06 Nov 2000 14:28:15 -0500
From: [redacted] (b) (7)(C) >
Organization: Fannie Mae
To: [redacted] (b) (7)(C) >
CC: [redacted]

CUSTOMER UPDATE: **INTERNAL INFORMATION ONLY**

Taylor, Bean and Whitaker has requested approval to transfer the servicing of 1,121 loans (115 million) to GMAC Mortgage Corporation.

We have delayed approval of this transfer until we resolve the lender's outstanding loan repurchase requests. We hope to resolve this issue quickly. I've attached a copy of (b) (7)(C) letter to Lee Farkas which should be mailed today (b) (7)(C)

Taylor, Bean letter.doc	**Name:** Taylor, Bean letter.doc **Type:** Winword File (application/msword) **Encoding:** base64 **Download Status:** Not downloaded with message

TBW.outsrepurch.110600.xls	**Name:** TBW.outsrepurch.110600.xls **Type:** Excel File (application/msexcel) **Encoding:** base64 **Download Status:** Not downloaded with message

OPPENHEIMER GPD
Exhibit No. 9
11.7.07 (b) (7)(C)

November 6, 2000

Mr. Lee B. Farkas
Chairman
Taylor, Bean and Whitaker Mortgage Corporation
101 N. E. 2nd Street
Ocala, FL 34470

Dear Mr. Farkas:

We have received your request for approval to transfer the servicing of 1,121 loans (approximately $115 million) to GMAC Mortgage Corporation.

We will be unable to approve this transfer until we resolve the twenty-six loan repurchase requests which remain outstanding (please refer to the attached "Exhibit A" for loan level detail). Some of these repurchase requests have been outstanding for several months.

Please be assured that we issue repurchase requests only after a very careful review and consideration of the mortgage loan package. If you wish to discuss any aspect of the repurchase requests, we welcome your comments as well as any additional information that might change our assessment of the underwriting of this loan. If you are not able to provide additional information or a written rebuttal, we request that all loan repurchases be completed in your next accounting cycle.

If you should have any questions, please contact [redacted] (b) (7)(C) [redacted] (b) (7)(C) [redacted].

Sincerely,

[redacted] (b) (7)(C) [redacted]
Single Family Operations

SMS/koc

Attachment

Exhibit A

Outstanding Repurchase Requests By Date of Request

As of 11/6/00

	Fannie Mae Loan #	Servicer Loan #	Servicer	Borrowers' Last Name	Last Paid Installment	Approximate Balance	Date Fannie Mae Letter Mailed	Date Fannie Mae Responded
1	4001115264	41837	Taylor, Bean	(b) (7)(C)	Jul-00	62,808.95	1/13/00	
2	1672621762	306800429	GMAC		Oct-00	100,967.08	1/13/00	
3	1673036205	428930	Colonial		Oct-00	79,231.56	5/18/00	
4	1673370337	306800799	GMAC		Oct-00	182,790.48	6/6/00	
5	1673554489	306799685	GMAC		Oct-00	137,037.22	6/20/00	
6	1673554501	306800398	GMAC		Sep-00	78,806.73	6/20/00	
7	1673554544	306801490	GMAC		Oct-00	131,288.33	6/20/00	
8	1673554691	306801710	GMAC		Aug-00	132,125.23	6/21/00 *	8/25/00
9	1673554683	306801493	GMAC		Sep-00	78,205.48	6/23/00 *	9/1/00
10	1673554694	56545	Taylor, Bean		Oct-00	123,918.56	6/29/00	
11	1673554696	57290	Taylor, Bean		Oct-00	57,178.97	6/29/00	
					SUBTOTAL	1,164,358.59		
1	4001342230	59275	Taylor, Bean		Jul-00	201,070.26	7/11/00	
2	4001326080	55783	Taylor, Bean		May-00	39,946.01	7/17/00	
3	4001329322	54237	Taylor, Bean		Sep-00	116,857.90	7/17/00	
4	4001332083	46966	Taylor, Bean		Oct-00	154,073.89	7/17/00	
5	1673707217	58678	Taylor, Bean		Oct-00	78,277.55	7/17/00	
6	1673705402	53428	Taylor, Bean		Oct-00	155,760.76	7/18/00	
7	1673707164	56920	Taylor, Bean		Oct-00	122,755.51	7/18/00	
8	1673801877	306801131	GMAC		Oct-00	57,116.96	7/18/00 *	11/6/00
9	1673802169	306801506	GMAC		Nov-00	131,942.97	7/18/00	
10	1673802220	306801916	GMAC		Oct-00	138,004.48	7/18/00	
11	1673209147	53925	Taylor, Bean		Sep-00	38,339.81	7/19/00	
12	1674164669	60784	Taylor, Bean		Oct-00	59,688.98	7/19/00	
13	4000676756	34835	Taylor, Bean		Aug-00	72,567.02	7/28/00	
					SUBTOTAL	1,366,402.10		
1	1674109475	306853439	GMAC		Oct-00	146,163.37	9/12/00	
2	1673736553	56617	Taylor, Bean		Jun-00	57,105.10	10/12/00	
					SUBTOTAL	203,268.47		
					GRAND TOTAL	2,734,029.16	26 Loans	

FNM-TBW0006557

FNM-TBW

TBW.outsrepurch.1106001.xls

* = *Rebuttal Received*

Prepared by (b) (7)(C)

Exhibit A

Outstanding Repurchase Requests By Date of Request

As of 11/6/00

	Fannie Mae Loan #	Servicer Loan #	Servicer	Borrowers' Last Name	Last Paid Installment	Approximate Balance	Date Fannie Mae Letter Mailed	Date Fannie Mae Responded
1	4001115264	41837	Taylor, Bean	(b) (7)(C)	Jul-00	62,808.95	1/13/00	
2	1672621762	306800429	GMAC		Oct-00	100,967.08	1/13/00	
3	1673036205	428930	Colonial		Oct-00	79,231.56	5/18/00	
4	1673370337	306800799	GMAC		Oct-00	182,790.48	6/6/00	
5	1673554489	306799685	GMAC		Oct-00	137,037.22	6/20/00	
6	1673554501	306800398	GMAC		Sep-00	78,806.73	6/20/00	
7	1673554544	306801490	GMAC		Oct-00	131,288.33	6/20/00	
8	1673554691	306801710	GMAC		Aug-00	132,125.23	6/21/00 *	8/25/00
9	1673554683	306801493	GMAC		Sep-00	78,205.48	6/23/00 *	9/1/00
10	1673554694	56545	Taylor, Bean		Oct-00	123,918.56	6/29/00	
11	1673554696	57290	Taylor, Bean		Oct-00	57,178.97	6/29/00	
					SUBTOTAL	1,164,358.59		
1	4001342230	59275	Taylor, Bean		Jul-00	201,070.26	7/11/00	
2	4001326080	55783	Taylor, Bean		May-00	39,946.01	7/17/00	
3	4001329322	54237	Taylor, Bean		Sep-00	116,857.90	7/17/00	
4	4001332083	46966	Taylor, Bean		Oct-00	154,073.89	7/17/00	
5	1673707217	58678	Taylor, Bean		Oct-00	78,277.55	7/17/00	
6	1673705402	53428	Taylor, Bean		Oct-00	155,760.76	7/18/00	
7	1673707164	56920	Taylor, Bean		Oct-00	122,755.51	7/18/00	
8	1673801877	306801131	GMAC		Oct-00	57,116.96	7/18/00 *	11/6/00
9	1673802169	306801506	GMAC		Nov-00	131,942.97	7/18/00	
10	1673802220	306801916	GMAC		Oct-00	138,004.48	7/18/00	
11	1673209147	53925	Taylor, Bean		Sep-00	38,339.81	7/19/00	
12	1674164669	60784	Taylor, Bean		Oct-00	59,688.98	7/19/00	
13	4000676756	34835	Taylor, Bean		Aug-00	72,567.02	7/28/00	
					SUBTOTAL	1,366,402.10		
1	1674109475	306853439	GMAC		Oct-00	146,163.37	9/12/00	
2	1673736553	56617	Taylor, Bean		Jun-00	57,105.10	10/12/00	
					SUBTOTAL	203,268.47		
					GRAND TOTAL	2,734,029.16	26 Loans	

FNM-TBW0006558

FNM-TBW

TBW.outsrepurch.1106002.xls

* = *Rebuttal Received*

Prepared by (b) (7)(C)

Fannie Mae
LENDER PERFORMANCE REPORTING
Seller / Servicer / Corporate Family Comparables
Servicer: Taylor, Bean and Whitaker Mortgage Corporation 23400
As of: 09/30/2000

Characteristi	UPB amt $ (thous)	UPB amt Pct	Total Loan Count	Total Loan Pct	Total Delinquent Count	Total Delinquent Pct	Characteristic	30 day Count	30 day Pct	60 day Count	60 day Pct	Seriously Delinquent Count	Seriously Delinquent Pct	Co Se F
TOTAL ALL	206,624	100.00	2,189	100.00	106	4.84	**TOTAL ALL**	62	2.83	22	1.01	22	1.01	1
Product							**Product**							
FRM30	107,572	52.06	1,025	46.83	41	4.00	**FRM30**	25	2.44	7	0.68	9	0.88	0
FRM INT	37,473	18.14	517	23.62	16	3.09	**FRM INT**	10	1.93	1	0.19	5	0.97	0
BALLOON	214	0.10	1	0.05	0	0.00	**BALLOON**	0	0.00	0	0.00	0	0.00	0
ARM	8,853	4.28	66	3.02	2	3.03	**ARM**	2	3.03	0	0.00	0	0.00	0
GOVT	52,513	25.41	580	26.50	47	8.10	**GOVT**	25	4.31	14	2.41	8	1.38	5
LTV							**LTV**							
1-60	19,506	9.44	272	12.43	3	1.10	**1-60**	2	0.74	1	0.37	0	0.00	0
61-70	17,711	8.57	190	8.68	5	2.63	**61-70**	4	2.11	0	0.00	1	0.53	0
71-80	62,791	30.39	613	28.00	23	3.75	**71-80**	14	2.28	3	0.49	6	0.98	0
81-90	26,340	12.75	269	12.29	17	6.32	**81-90**	10	3.72	2	0.74	5	1.86	0
91-100	27,763	13.44	265	12.11	11	4.15	**91-100**	7	2.64	2	0.75	2	0.75	0
GOVT/UNKN	52,513	25.41	580	26.50	47	8.10	**GOVT/UNKN**	25	4.31	14	2.41	8	1.38	5
UNITS							**UNITS**							
1 UNIT	202,905	98.20	2,156	98.49	104	4.82	**1 UNIT**	61	2.83	21	0.97	22	1.02	1
2-4 UNITS	3,719	1.80	33	1.51	2	6.06	**2-4 UNITS**	1	3.03	1	3.03	0	0.00	0
ORIG YEAR							**ORIG YEAR**							
1995	1,375	0.67	23	1.05	1	4.35	**1995**	0	0.00	1	4.35	0	0.00	0
1996	2,610	1.26	39	1.78	5	12.82	**1996**	1	2.56	2	5.13	2	5.13	1
1997	8,980	4.35	107	4.89	8	7.48	**1997**	3	2.80	1	0.93	4	3.74	1
1998	16,848	8.15	207	9.46	18	8.70	**1998**	9	4.35	3	1.45	6	2.90	1
1999	52,719	25.51	551	25.17	37	6.72	**1999**	21	3.81	7	1.27	9	1.63	0

FNM-TBW0006559

FNM-TBW
0006560

Fannie Mae
LENDER PERFORMANCE REPORTING
Seller / Servicer / Corporate Family Comparables
Servicer: Taylor, Bean and Whitaker Mortgage Corporation 23400
As of: 09/30/2000

Characteristi	UPB amt $ (thous)	Pct	Total Loan Count	Pct	Total Delinquent Count	Pct	Characteristic	30 day Count	Pct	60 day Count	Pct	Seriously Delinquent Count	Pct	Con Ser P
2000	124,093	60.06	1,262	57.65	37	2.93	**2000**	28	2.22	8	0.63	1	0.08	2.
MORTGAGE							**MORTGAGE P**							
STD PMM	130,052	62.94	1,348	61.58	64	4.75	**STD PMM**	34	2.52	17	1.26	13	0.96	2.
C/O REFI	15,662	7.58	194	8.86	8	4.12	**C/O REFI**	7	3.61	1	0.52	0	0.00	0.
R/T REFI	60,910	29.48	647	29.56	34	5.26	**R/T REFI**	21	3.25	4	0.62	9	1.39	0.
STATES							**STATES**							
AL	3,907	1.89	47	2.15	3	6.38	**AL**	2	4.26	1	2.13	0	0.00	0.
AZ	146	0.07	1	0.05	0	0.00	**AZ**	0	0.00	0	0.00	0	0.00	0.
CA	31	0.02	1	0.05	0	0.00	**CA**	0	0.00	0	0.00	0	0.00	0.
CO	1,428	0.69	10	0.46	0	0.00	**CO**	0	0.00	0	0.00	0	0.00	0.
FL	55,235	26.73	644	29.42	32	4.97	**FL**	20	3.11	6	0.93	6	0.93	1.
GA	113,846	55.10	1,172	53.54	55	4.69	**GA**	34	2.90	10	0.85	11	0.94	1.
IL	16,498	7.98	143	6.53	7	4.90	**IL**	5	3.50	1	0.70	1	0.70	0.
IN	1,268	0.61	14	0.64	1	7.14	**IN**	0	0.00	1	7.14	0	0.00	19.
KY	1,499	0.73	16	0.73	0	0.00	**KY**	0	0.00	0	0.00	0	0.00	0.
MA	125	0.06	1	0.05	0	0.00	**MA**	0	0.00	0	0.00	0	0.00	0.
MI	196	0.09	1	0.05	0	0.00	**MI**	0	0.00	0	0.00	0	0.00	0.
MO	357	0.17	5	0.23	0	0.00	**MO**	0	0.00	0	0.00	0	0.00	0.
NC	1,259	0.61	9	0.41	0	0.00	**NC**	0	0.00	0	0.00	0	0.00	0.
NM	1,670	0.81	20	0.91	1	5.00	**NM**	0	0.00	1	5.00	0	0.00	1
NV	136	0.07	1	0.05	0	0.00	**NV**	0	0.00	0	0.00	0	0.00	0
OH	160	0.08	1	0.05	0	0.00	**OH**	0	0.00	0	0.00	0	0.00	0
OK	4,443	2.15	58	2.65	6	10.34	**OK**	0	0.00	2	3.45	4	6.90	0
PA	92	0.04	1	0.05	0	0.00	**PA**	0	0.00	0	0.00	0	0.00	0
SC	3,091	1.50	31	1.42	1	3.23	**SC**	1	3.23	0	0.00	0	0.00	0

FNM-TBW0006560

Subject: **[Fwd: [Fwd: [Fwd: Taylor,Bean Repuchase]]]**
Date: Wed, 03 Oct 2001 12:35:30 -0400
From: "(b) (7)(C) **Internal**
Organization: Fannie Mae
To: (b) (7)(C)

print for TBW file

-------- Original Message --------
Subject: [Fwd: [Fwd: Taylor,Bean Repuchase]]
Date: Wed, 03 Oct 2001 12:01:40 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)

(b) (7)(C), just a fyi. This gets stickier and stickier with TBW.

-------- Original Message --------
Subject: [Fwd: Taylor,Bean Repuchase]
Date: Wed, 03 Oct 2001 12:00:43 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To:
CC: (b) (7)(C)

Team, I just spoke with (b) (7)(C) about this TBW repurchase. When I got this message I was not happy to see that she has 12 other repurchases, 7 of which are misrep issues. I told (b) (7)(C)e we are planning a visit to TBW at the end of this month and I'd like (b) (7)(C) to work with (b) (7)(C) to get the info on these 12 GMAC loans so we can better asses what the issues are.

(b) (7)(C) has been holding firm on repurchases if title is not clear; therefore, she is concerned that doing a negotiated settlement on this one for TBW would negatively impact her relationship with GMAC. I understand her concern, so I think we need regroup and decide how to handle with (b) (7)(C).

(b) (7)(C), please call (b) (7)(C) to get info on what she has on the 12 other loans. (b) (7)(C) said she could probably pull out the TBW loans from her GMAC spreadsheet and sent it to us. Let me know what you find out.

(b) (7)(C)

-------- Original Message --------
Subject: Taylor,Bean Repuchase
Date: Wed, 03 Oct 2001 08:22:11 -0400
From: (b) (7)(C)>
Organization: Fannie Mae
To: (b) (7)(C)

(b) (7)(C)e

The repurchase in questions: 1673370074 Jason Sapp

The original repurchase letter was sent to GMAC on 6/1/2001 for a title and lien issue. According to Georgia's DMV the title was in the previous owners name and the lien was from the previous mortgage

OPP
Exhibit No. 8
11.7.07 (b) (7)(C)

FNM-TBW
0004116

company.

June 19 - Taylor Bean requested a 2 week extension to research- The extension was granted.

July 24 - Rebuttal rec'd which included a letter from the closing attorney that stated the property was taxed as real estate and a copy of the first page of the title. I faxed this information to (b) (7)(C) (REO Dallas) to confirm with DMV that the title had been corrected which the title and lien had not been correct. August 6 I reaffirmed our original request.

September 9 Rec'd second rebuttal with evidence that the previous leinholder and owner had signed the title which had not been endorsed as of that date. According to REO this would correct the issue once recorded.

September 14 Reaffirmed request since we were unable to the market the property because it was delivered with unmarketable title and we incurred additional cost.

Our records show we purchased this loan 7/99, LPI 5/20 and we acquired it 3/01. The repurchase amount is $ 46,500 (approx.). This loan is one of 12 outstanding repurchases and 7 of these have clear misrepresentation or at least questionable documentation.

Let me know if you need any additional information. (b) (7)(C)

FNM-TBW
0004117

Subject: **Taylor Bean & Whitaker - Report of Ops review**
Date: Fri, 10 Mar 2000 11:15:35 -0500
From: [redacted] (b) (7)(C)
Organization: Fannie Mae
To: [redacted] (b) (7)(C)
CC: [redacted]

As we discussed in this morning's meeting, I would like to formally communicate the results of the Operational Review on Taylor Bean to Lee Farkas as soon as possible. He has expressed his interest in this, as the auditors from GMAC are aware that we had performed an Operational Review and want to see the results.

I have attached my cover letter, the report and a spreadsheet addendum summarizing the nine file reviews we performed to this e-mail. ***Please return your comments as soon as possible*** so that I may mail this to Lee.

Thanks. (b) (7)(C)

TBW 99OperRev.TBW version.doc	**Name:** TBW 99OperRev.TBW version.doc **Type:** Microsoft Word Document (application/msword) **Encoding:** base64 **Download Status:** Not downloaded with message

TBW reviews with rebuttals.xls	**Name:** TBW reviews with rebuttals.xls **Type:** Microsoft Excel Worksheet (application/vnd.ms-excel) **Encoding:** base64 **Download Status:** Not downloaded with message

TBW.Cvr Ltr.doc	**Name:** TBW.Cvr Ltr.doc **Type:** Microsoft Word Document (application/msword) **Encoding:** base64 **Download Status:** Not downloaded with message

FNM-TBW
0004277

OPPENHEIMER
Exhibit No. 7
11.07.07 (b) (7)(C)

Report of Operational Review Conducted in Lender's Office

Lender Name: Taylor, Bean & Whitaker **Lender ID #:** 23400
City/State: Ocala, FL **QC Rep:** K. Cunningham

VISIT INFORMATION:
Date of this visit: October 21 – 22, 1999
Location where visit was conducted: 101 N. E. 2nd Street, Ocala, FL

EMPLOYEES/MANAGERS/OFFICERS INTERVIEWED:

1) Lee Farkas, Chief Executive Officer
2) (b) (7)(C), Senior Credit Officer
3) (b) (7)(C)
4) (Contract QC provider)

RATING OVERVIEW OF LENDER:

Origination procedures:	Rating –	Good - 3
Appraisal procedures:	Rating -	Good - 3
Third-party procedures:	Rating -	Good - 3
Underwriting procedures:	Rating -	Fair - 2
Post-closing procedures:	Rating -	Fair - 2
Quality Ctrl procedures:	Rating –	Poor - 1
Condo/PUD procedures:	Rating -	Good - 3

OVERVIEW: Taylor, Bean and Whitaker Mortgage Corp. has experienced phenomenal growth since the last review in December 1998. The number of approved correspondents has grown from 140 to 638 and they have added 14 underwriters, an increase of over 100% in its underwriting staff. DU usage increased by 19% from 1998 to 1999.

UNDERWRITING PROCEDURES: Loans that receive a "Refer" or "Refer With Caution" recommendation are assigned to an underwriter for review and approval. Loans reviewed by Fannie Mae during the on-site visit and some post-purchase reviews indicate that additional support is not always provided for the approval and delivery of "Refer With Caution" loans. Also, loans have been delivered with approval from Loan Prospector that do not meet Fannie Mae underwriting guidelines.

QUALITY CONTROL PROCEDURES: In February of 1999, TBW outsourced the quality control function to Qualiemae, a Miami-based company. Copies of Qualiemae's policies and procedures have been included in this review. While it appears that Qualiemae's methodology for reviews is thorough, reviews tailored to Fannie Mae's requirements for loans run through Desktop Underwriter (the vast majority of TBW's loans) had not been developed. As a result, the monthly reports returned to TBW by Qualiemae included exceptions on nearly every loan reviewed, thus making it nearly impossible for TBW's management to review and respond to the QC reports as Fannie Mae requires. On December 10 and 11, 1999, Bettina and Bertha Gonzalez from Qualiemae attended hands-on DU training in our Atlanta facility. They are currently working on revised QC procedures for DU loans.

Qualiemae's reports to management are very thorough, including detailed listings of exceptions by originator, processor, loan officer, underwriter, appraiser, closer, branch or TPO, product type, loan type, and loan purpose type and are summarized graphically in pie charts.

Fannie Mae's QC selection criteria requirement has not been met. In our training on December 10 and 11, 1999 we reiterated with Qualiemae the requirement that the loans selected should reflect the same proportion of Approve, Refer and Refer With Caution recommendations that are contained in the population of loans closed within the given month.

In a follow up telephone interview with (b) (7)(C) of Qualiemae on December 21, she confirmed that the July 1999 QC audit findings were complete and would be forwarded to TBW by December 24 and that the August 1999 QC audit findings would be forwarded to TBW by December 31. She also confirmed that TBW had not sent them any files for September, October or November QC audits.

TBW's quality control program is not currently operating within Fannie Mae's requirements.

MORTGAGE LOAN FILE REVIEW NOTES: Ten loans were selected and nine were reviewed. Four of the nine loans require repurchase, due to ineligibility issues. See attached spreadsheet for details.

WAIVERS GRANTED DURING VISIT: **None**

FINDINGS REQUIRING CORRECTIVE ACTION:

Finding # 1 – Qualiemae's review methodology for DU loans adheres to the Selling Guide underwriting requirements and not to the *Guide to Underwriting With Desktop Underwriter.*

Action Required - Qualiemae's QC review methodology for DU loans must be modified to include review of data integrity and review of the loan-specific processing path that DU determines for each loan.

Required Action Date - January 31, 2000. ***COMPLETED February 7, 2000.***

Finding # 2 – Four loans reviewed during the on-site visit require repurchase.

Action Required – TBW to complete repurchase of these loans.

Required Action Date – Repurchases to be completed by **March 31, 2000.**

Finding # 3 – TBW has not prepared monthly responses to the management reports for QC findings.

Action Required – TBW will provide Fannie Mae with a copy of their response to the July and August 1999 QC findings given to Qualiemae, and will continue to review and respond to Qualiemae's monthly reports on a timely basis thereafter.

Required Action Date – March 31, 2000.

Finding # 4 – QC audits for September, October, November and December of 1999 have not begun.

Action Required - Qualiemae has completed the audits for September and October 1999 and will provide these to TBW no later than March 13, 2000. The November 1999 audit is to be completed by March 17, 2000. TBW to provide closed loan packages to Qualiemae for the December 1999, January 2000 and February 2000 audits by March 31, 2000. Qualiemae will complete these audits by April 30, 2000.

Required Action Date – Qualiemae to complete audits by **April 30, 2000.**

Finding # 5 – Secondary marketing procedures must be refined to properly identify loans for sale/securitization that meet Fannie Mae guidelines.

Action Required - TBW to provide a description of its internal controls to identify Fannie Mae eligible loans.

Required Action Date – April 15, 2000.

RECOMMENDATIONS:

Emphasis should be given to the development and monitoring of internal controls in the following areas:

1.) Approval of "Refer With Caution" loans using additional documentation and support with factors not already evaluated by Desktop Underwriter,

2.) Selection of loans for sale or securitization to Fannie Mae that meet our requirements,

3.) Monthly interaction with external quality control provider to deliver loans for audit and review quality control findings from previous audits, and

4.) Management response to the reports generated by the external quality control provider that can be used to identify training or disciplinary needs based on quality control findings.

TBW #	Mortgagor	File Review Comments	Corrective Action Required	Revised Corrective Action Based on Rebuttal Info
42158	(b) (7)(C) [redacted]	Subject loan paid off an interim interest-only loan, no DU decision in file, no support for approval	Repurchase loan	File was not fully documented. (2 yrs W-2's missing) & serious derog credit was not addressed. **Repurchase loan.**
52747		Insufficient MI coverage, short $ 4,990 to close, no support for approval, loan appl. In file is for refi of current residence (not purchase of subject property)	Repurchase loan	Cash to close was verified, but DU required $ 28,319.50 (only $ 23,329). MI Coverage Insuff. **Repurchase loan.**
45577		$ 20,000 across the board adjustment for site, comps 5-8 miles distant	Obtain review appraisal to support adj.	Revised LTV excluding $ 20 K adj = 73%. No Action Required.
51908		No DU decision in file	Repurchase loan	No Action Required
52011		Insufficient mortgage insurance coverage, self-employment income from 1997 to 1998 declined by 27% but 2 yr average was used without discussion or support, business tax returns were not provided for all S-corps for 2 years as required in DU Findings, $ 10,000 Bank of Madison mortgage was not matched to a property; letter from Bank of Madison reducing payment from $ 1,000 to $ 100 and releasing security (?)	Repurchase loan	Insufficient mortgage insurance coverage, part of borrowers' self employment income was from 2 new S Corps started in 1998, DU input indicated self-employed for 30 years, DU did not adequately assess risk from these 2 new S Corps. **Repurchase loan.**
49413		DU required $ 22,000 to be verified; only $ 336 on Nationsbank statement, < 2 year credit history, borrower's declarations on 1003 indicated not a US citizen nor a resident alien, underwriter counteroffered at 75% LTV but loan closed at 90% LTV, processed as a steamlined refinance but no evidence that Fannie Mae was the investor on the original loan	Repurchase loan	Lender's underwriter manually underwrote this file outside of DU. Length of borrowers' credit history and LTV to non-permanent resident alien render this loan ineligible for sale to Fannie Mae. **Repurchase loan.**
52973		Business bank account shown as liquid asset in DU but borrower only owns 50% of business, earnest money > 2 %, cancelled check not provided	Provide procedures and training plan to avoid these errors in the future.	Satisfactory explanation and procedures have been provided. No further action required.

FNM-TBW 0004282

TBW #	Mortgagor	File Review Comments	Corrective Action Required	Revised Corrective Action Based on Rebuttal Info
50576	(b) (7)(C) [redacted]	401(k) loan payment from paystub was not included as a liability in DU, raises back ratio to 44.73% (> 2% increase), condo project is a conversion from warehouse to lofts, 22 units, 18 sold but none closed, appraiser used two unclosed sales as comps, appraiser did not disclose this as a conversion, inconsistent info from appraisal to condo questionnaire (re: fee simple or leasehold, appraiser shows a comp as closed; questionnaire says none are closed), project is not a Type A nor B, was not submitted to Projects Standards for prior approval	Provide procedures and training plan to avoid these errors in the future.	Appraiser did not consider this project to be a conversion since only the shell of former building was used and the rest of the project is new construction; this was not submitted for prior approval as a Type C, underwriters have been provided updated guidelines re: 401(k) loans. No further action required.
48526	[redacted]	Failed to document whether social security income will continue to be received for 3 or more years (This loan would meet the new documentation requirements as of 9/27/99 in DU release 4.5)	None	No action required.

FNM-TBW 000428 3

Subject: Re: Taylor Bean
Date: Fri, 14 Jan 2000 15:31:59 -0500
From: (b) (7)(C)
Organization: Fannie Mae
To:
CC:

(b) (7)(C)

I am pleased that Farkas gave the answer that we already knew to be correct. And I hope he follows through to fix these delivery problems (and the other control issues disclosed by our audit).
(b) (7)(C) - no need for you to take any further action on this one loan right now.
(b) (7)(C)y - pick up from here. follow-up in with appropriate parties at TBW to find out what happened on the loan and what they've done to prevent a repeat. keep me informed.

(b) (7)(C) wrote:

> (b) (7)(C) we completed a conference today, January 14th with Taylor, Bean and Whitaker to discuss the CSTD issues referenced below. Participating on the call from TBW were Lee Farkas, Ray Bowman and Desiree Brown. Fannie Mae participants included (b) (7)(C) Bottom line: Lee agreed to correct these issues. (b) (7)(C) and I will have an additional conference call next week to define the necessary procedures changes. I told Lee that we would be closely monitoring the loans. We also questioned the returned wire (two note issue) and asked for an explanation. Lee quickly responded that the title agency had prepared two notes and TBW had previously sold one note to freddie. He was at a loss to explain why this happened and stated it was a mistake. I'd like your opinion of how or if I should approach Lee for a better explanation.
>
> Does anyone else who participated in the call have any additional comments or thoughts about the tone and/or outcome of the call? Thanks, (b) (7)(C)
>
> **ISSUES:**
> 1. We are still waiting for documents(notes and assignments) to come in on loans that they have locked

OPP
Exhibit No. 4
(b) (7)(C)

up on the ASAP+ line. Both DDF and I have sent message
to the lender about getting the docs. Some have been locked for funding since 12/27.

2. The lenders has outstanding loans to be redelivered into pools or cash contracts. I have sent Desiree a email letting her know that they have to be submitted into a
pool or cash contract by friday or we are going to shut the loans down and recoup our funds. This seems to be an ongoing occurrence with them. Also just so that
you know, a monthly report is e-mail to Desiree every month that gives them all the loans that are on our book and how many days they have been on our books.

3. The lender submits pools a week or two in advance to settlement period and wait to 48 hr to get the trade letters and allocation sheet to us. It would be beneficial
that as they are submitting the pool the next day the trade letters and allocation sheets follow.

(b) (7)(C) wrote:

We are placing Taylor Bean on our Watch List because of persistent problems with their redeliveries in the ASAP Plus program. They consistently exceed program stipulations for the amount of time they are allowed to finance their mortgage originations through ASAP Plus, which points to sloppy business practices and controls, and causes multiple exceptions on our internal control reports. This, coupled with other problems the region is reporting in their servicing and QC areas, points to systemic problems in Taylor Bean's processes which are probably related to its fast growth rate.

We will contact Taylor Bean with the region to talk to them about their problems and establish a timetable to come into compliance. If, at the end of the established timetable, Taylor Bean is not able to deliver according to our standards, we will stop funding them through our early funding programs.

Susp
1 of 1
Lender File
TBW

Subject: Re: Taylor Bean
Date: Wed, 12 Jan 2000 22:04:39 -0500
From: [redacted] (b) (7)(C) **Internal**
Organization: Fannie Mae
To: [redacted] (b) (7)(C)
CC: [redacted]

(b) (7)(C) - I am attaching my notes as of yesterday's on-site visit which should address all of the audit issues and TBW's current status of the corrective actions, as well as the overall progress made. I have to add to this by letting you know I have had Lee's and his entire staff's undivided attention and cooperation. They have followed all my recommendations from beginning to end and no one has been left out. I am in Orlando visiting Crown Bank the rest of this week, however, if I can add anything to this, please page me at 800-759-3662.

(b) (7)(C) wrote:

> I am very concerned about two events that have taken place during the last 24 hours:
>
> 1. TBW's warehouse bank called Washington to have a loan removed from an ASAP pool. We talked with TBW's warehouse bank. The bank reported that they discovered that the same loan had been sold to Freddie Mac by TBW a couple of months ago. [Note: our conversation with the warehouse bank must remain confidential; we do not want anyone at TBW to know that officials at the bank talked with us and gave us this info].
>
> 2. Our trading desk has placed TBW on its watch list because they have consistently exceeded the amount of time they are allowed to park loans in ASAP pools.
>
> There could be an innocent explanation for issue # 1, and issue # 2 is probably due to sloppy controls at TBW, which we already knew about. However, I want everyone working with TBW to keep their eyes open and to be especially sensitive to any issues or situations which might indicate that we have some new problems emerging with this lender or that their efforts to get things under control just aren't working.
>
> Additionally, I want the following:
>
> 1. (b) (7)(C) - give me comments about TBW's QC controls, outstanding repurchase and QC issues, and a summary of our recent visit there. I want you to make a "routine" call to TBW (to Farkas, I think) to ask why the loan was removed from the pool (I am very interested in how he answers this question). (b) (7)(C) is pulling together the info you will need (borrower name, address, loan #, etc.). I will get this info to you when I get it from (b) (7)(C).
>
> 2. [redacted] (b) (7)(C) - give me a summary of the actions TBW has taken since the audit to address our concerns along with your recent observations & assessment of what's going on there. Also, what's the latest info we have on their financial condition? Any significant shortages in our accounts? Any delays in remittances to us?
>
> From TBW's standpoint, it should be "business as usual" with us right now, but internally, I want

Oppenheimer
Exhibit No. 5
11.07.07 (b) (7)(C)

FNM-TBW
0004324

everybody to be especially cautious in their dealings with TBW, to watch for signs of new emerging problems, and to let me & others know ASAP if you find any evidence of such problems.

SYSTEM CONVERSION - Converted from INTERLINQ to FICS 12/31/99 - up and running live 1/4/2000.

STAFFING/TRAINING - Between 11/19/99 and 1/11/2000 I have had two separate on-site visits (aggregate 4 days) conducting training/consultative sessions and 5 scheduled (weekly) conference calls monitoring progress. Currently staffed with [redacted] (b) (7)(C) [redacted], 6 servicing employees (there were 3 at the time of audit in October), and the contracted consultant is now a permanent employee of TBW. An 8th person was hired this week with Collection and Loss Mit experience (formerly with Webster Bank) to start in one week. FICS on site training scheduled for 1/18 - 1/24/2000. There are three employees registed for the HFI training in Atlanta in March and two others are registered for April in Chicago. There are also a couple of people registered for the MBA next month and (b) (7)(C) is attending the servicing manager's workshop on 2/16. Investor reporting generic procedures have been written by the contracted consultant. These procedures will be interfaced with FICS by 1/31/2000. They are currently writing procedures for the servicing side, however, it is a rough draft. From a practical standpoint a more detailed version rides on the continuous training.

CASH AND CUSTODIAL ACCOUNTING - I reviewed the 11/99 and 12/99 bank statements and found several delays in depositing through 11/99. During 12/99 this problem no longer existed. During 11/99 and 12/99 there were no delays in remitting for A/A. For the MBS portfolio TBW conveyed, and I verified with their laser rep, we have had problems drafting, however, this was not within TBW's control. They changed banks, completed and submitted our required paperwork. Laser confirmed it appears to be our internal problem. Nonetheless, TBW wired the funds accordingly and I am working with Krista Lewis and Ron Greenwood to resolve. They are no longer debiting their operating account for escrow items, but rather debiting the T&I. I have strongly suggested establishing a central disbursement clearing account. Lee Farkas is currently making the arrangements. The large surplus in the T&I account will be cleared prior to 1/31/2000. The PITI - MBS Custodial Account Analyis (our Form 496) has been reconciled thru 9/99 with 10/99 and 11/99 to be completed by 1/31/2000. The PIti A/A Custodial Account Analyis has been reconciled thru 11/99. All reconciling items will be cleared prior to 1/31/2000.

ACCOUNT TITLING - They have been working with SouthTrust on this issue with little cooperation provided. I have viewed evidence of this. Lee has had to move all accounts to Colonial Bank to accomplish compliance.

GUARANTY FEES FUNDED - All fees have been funded to the PI account. Future GFees will be drafted directly from their operating account.

SHORTGAGE/SURPLUS - Conversion to FICS which will support month end cutoffs and MBS reporting will eliminate this problem. We are waiting for December 99 turn around (our output report) to determine remaining shortage due us. This amount will be funded by TBW by 1/31/2000 and finally cleared.

FNM-TBW
0004325

DEFAULT MANAGEMENT - As of 10/99 FMIS reports they have 12 seriously delinq loans. I have reviewed the progress on all 12 and default activity has been prudent and expeditious. RSS is still working on cases referred to then prior to Oct 99. As of 11/99 all new defaults are being handled in house including the month end status coding for laser. To date all reporting is accurate and timely. Loss Mit ratio for 10/99 was 100%. Connie Childs has been instrumental in this training procewss. The loss mit ratio is currently 100%.

[redacted] (b) (7)(C) [redacted] - South Florida
Fannie Mae
Servicing

To: (b) (7)(C)

FannieMae

[redacted] (b)(
[redacted]
Single-Family Operations

950 East Paces Ferry Road
Suite 1900
Atlanta, GA 30326
404 398 6110
404 398 6275 (fax)

December 22, 1999

Mr. Lee Farkas
Chief Executive Officer
Taylor, Bean & Whitaker Mortgage Corporation
101 NE 2nd Street
Ocala, FL 34470-6642

Dear Mr. Farkas:

Subject: **Fannie Mae Audit**

On October 8, 1999, we completed our review of the procedures and records on the quality control, servicing, investor reporting, and custodial accounting of mortgages serviced for Fannie Mae by Taylor, Bean & Whitaker Mortgage Corporation (TBW). A copy of our observations is attached.

Based on our review, although TBW is financially sound, we noted numerous control weaknesses, primarily over cash, that render TBW marginally capable to effectively service Fannie Mae loans. We noted the following deficiencies:

- Control weakness over cash processing and custodial accounting relating to: delays in depositing and remitting Fannie Mae funds; unreconciled custodial and investor reporting accounts; overdrafts in the custodial accounts; guaranty fees funded by mortgage collections; and, numerous other instances of noncompliance with Fannie Mae requirements.

- Issues concerning servicing capability relating to TBW's unfamiliarity with Fannie Mae requirements, lack of written internal procedures, and lack of a reliable servicing system.

At the conclusion of our audit, you agreed to take the following actions in order to more capably service Fannie Mae loans and to establish acceptable controls over cash accounting and investor reporting.

- TBW agreed to correct all of the issues noted in our review within the next 90 days.

FNM-TBW
0005971

OPP
Exhibit No. 4
(b) (7)(C)

- TBW is replacing its existing servicing system with a new system from Financial Industry Computer Systems, Inc. (FICS). TBW expects to be fully converted to FICS by December 31, 1999.

(b) (7)(C), Fannie Mae Servicing Consultant, has been assigned to work closely with your staff to review account reconciliations and to monitor the implementation of the corrective actions you agreed to take.

We would like to meet with you in approximately 45 days to review the actions you have taken in response to this audit.

If you have any questions related to the audit, please call (b) (7)(C) We thank you and your staff for the cooperation and assistance during the audit.

(b) (7)(C)

Single Family Operations

Attachment

bcc: (b) (7)(C)
(b) (7)(C), Servicing Manager
, Servicing Consultant
Customer Account Manager

Observations

Our audit disclosed the following deficiencies or instances of noncompliance with Fannie Mae requirements related to both servicing Fannie Mae loans and TBW's operational capability to do business with Fannie Mae:

1. **Servicing Capability**

   We noted issues regarding TBW's servicing system, staff knowledge of Fannie Mae requirements, and internal procedures, all of which impede TBW's servicing performance and also serve as contributing factors to the other issues noted in this report.

   - TBW's present servicing system, INTERLINQ, has provided unreliable service, sometimes being down for several days at a time. It has also produced questionable output data, resulting in manual workarounds and excessive time spent on data validation. These system deficiencies have hindered TBW's ability to effectively service Fannie Mae loans.

   - A lack of awareness of Fannie Mae's servicing requirements and inadequate written procedures have resulted in the serious lapses in servicing performance noted in observations 2 through 6. TBW has contracted with a knowledgeable consultant who is teaching TBW personnel essential aspects of custodial accounting and investor reporting. Because of the staff's lack of understanding of these areas, the consultant is also preparing custodial account and portfolio reconciliations for TBW.

   - We noted no evidence of review and approval on any of the bank reconciliations or custodial account analyses that we reviewed. Fannie Mae requires the lender to employ sound accounting practices with a sufficient control structure. A system of review and approval is an integral part of such practices.

   Lee Farkas, Chairman and Chief Executive Officer, stated that following their planned conversion to the FICS servicing system, TBW will prepare written procedures detailing the essential servicing functions. These procedures will be completed by January 31, 2000. Management will also continue to seek opportunities for Fannie Mae training by using resources that include seminars, the servicing guides and supplements, and TBW's consultant. Finally, when the staff is sufficiently trained, the consultant will review and approve the Fannie Mae custodial account and investor reporting reconciliations.

2. **Cash and Custodial Accounting**

   During our review of TBW's clearing and custodial accounts, we noted the following instances of noncompliance with Fannie Mae requirements:

   - *Delays in depositing*. We noted delays in depositing mortgagor collections to the collection clearing account and the Fannie Mae custodial accounts. On five business days in July, there were no deposits to the collection clearing account, and there were ten days when there were no deposits to the Fannie Mae custodial accounts. Collections should be deposited to the accounts within one business day of receipt.

   - *Delays in remitting*. TBW failed to remit Actual/Actual collections to Fannie Mae on nine business days in July, seven of which occurred in the first 16 days of the month. Lender management indicated that remittances are typically due every day during the 15-day grace

period. Fannie Mae requires the lender to remit Actual/Actual collections whenever $2,500 has been collected or at least once per month.

TBW also failed to remit approximately $540,000 of unscheduled principal received on MBS Express mortgages in a timely fashion. These funds were due to be remitted on July 6, but Fannie Mae drafted them with the regular MBS remittances on July 16. Unscheduled principal received on MBS Express mortgages should be remitted to Fannie Mae by the third business day of the month. TBW attributed the delays to problems with its computer systems and unfamiliarity with Fannie Mae requirements.

- *Operating account.* TBW uses its corporate operating account as a "disbursement clearing account" for paying taxes and insurance. In addition to not reconciling the account (see below), TBW had not reimbursed the account from the Fannie Mae T&I custodial account, allowing large surpluses to accumulate in the T&I account. If the lender uses a disbursement clearing account, Fannie Mae requires that it be established as a separate custodial account that is used solely for escrow disbursements and that the disbursements from that account be concurrently funded from the Fannie Mae T&I custodial account.

- *Unreconciled clearing and custodial accounts.* Until our review, TBW had not prepared an analysis of any Fannie Mae custodial accounts. Although the accounts had been reconciled to TBW's general ledger, TBW did not reconcile them to the mortgage cashbook records or identify the components of the ending balances. The Fannie Mae account reconciliations prepared as of July 31, 1999 contained the following unidentified surpluses:

  - Actual/Actual P&I $138,260.55
  - Scheduled/Scheduled P&I 29,487.71
  - Taxes and Insurance 641,586.66

  TBW did not prepare reconciliations of their operating account (used as a "disbursement clearing account") for June and July. As of August 31, their reconciliation indicated an unidentified surplus of $40,957.02.

  Fannie Mae requires that the clearing and custodial accounts be reconciled monthly, with corrections promptly applied. The Fannie Mae custodial accounts should be analyzed using a Custodial Account Analysis, Form 496 or 496A, or its equivalent, and should reconcile to the underlying mortgage cashbook records.

- *Overdrafts.* We noted eight overdrafts in the collection clearing account and five overdrafts in the Scheduled/Scheduled P&I account in July. We also noted two overdrafts in the Actual/Actual P&I account in August. These overdrafts ranged from $28,000 to $582,000.

  The overdrafts in the collection clearing account resulted from duplicate disbursements from that account to investor accounts. The overdrafts in the Scheduled/Scheduled P&I account resulted from TBW's failure to advance corporate funds to pay guaranty fees (See Observation 3). Lastly, the overdrafts in the Actual/Actual P&I account resulted from TBW's remitting from that account without making daily deposits, as indicated above.

- *Account titling.* The clearing bank accounts are not titled to indicate that they are custodial, and none of the Fannie Mae custodial accounts are titled to conform to the wording contained in the applicable letters of authorization. The accounts should be properly titled to identify Fannie Mae's interest in the funds and to preserve FDIC coverage.

Mr. Farkas agreed to immediately correct all of the above items.

3. **Guaranty fees funded with mortgagor payments**

TBW does not regularly deposit corporate funds to the Scheduled/Scheduled P&I account in time to cover Fannie Mae's draft of guaranty fees. In the ten months ended August 1999, Fannie Mae drafted guaranty fees totaling $1,601,068 from the P&I account. During that time, TBW made six deposits to the account from its own funds totaling $1,364,198. The balance of $236,870 was funded from borrower collections. Fannie Mae requires that the lender deposit its own funds to the custodial account in an amount sufficient to fund the guaranty fees prior to the day that Fannie Mae drafts the funds.

Mr. Farkas agreed to immediately deposit corporate funds to cure the existing guaranty fee shortage and, in the future, to fully fund guaranty fees with corporate funds prior to Fannie Mae's draft date.

4. **Shortage/Surplus**

TBW has been carrying large unidentified differences in its shortage/surplus account for an extended time, and their consultant only recently began attempting to reconcile the account. Over the past year, these differences ranged from a shortage of $134,420 to a surplus of $1,793,820. The consultant's efforts to reconcile the account had reduced the unidentified shortage to $84,109 (as of August 1999). The differences were attributed to TBW's failure to consistently cut off remittances at the end of each month, staffing competencies, and accumulated differences arising from months of neglect.

Mr. Farkas agreed to ensure that the shortage/surplus account is reconciled monthly, with corrections to the records promptly applied.

5. **Escrow Disbursements**

Our review of escrow disbursements revealed lapses in paying mortgage insurance and real estate taxes. The mortgage insurance policies on two of the three loans we reviewed were cancelled because the premiums had not been paid for the past 17 months. We expanded our testing and found that mortgage insurance had not been paid on 16 loans. TBW brought the insurance current on October 14. Additionally, our review of TBW's listing of real estate taxes due revealed 19 Fannie Mae loans with unpaid real estate taxes that were between 1 and 11 months past due – totaling $9,841. Fannie Mae requires that taxes and insurance be maintained current in order to protect the security for its loans.

[redacted] (b) (7)(C) [redacted], agreed to ensure that all escrow items are paid on time.

6. **Default Management**

Our review of the delinquency servicing (automated) loan files for 6 loans in default produced little evidence prior to September 1999 of borrower contacts – including records of telephone calls, face-to-face contacts, and property inspections. Loss mitigation efforts have been equally few, and at June 30, 13 loans were between 3 and 26 months delinquent with no documented efforts toward loss mitigation, referrals to attorneys, or other default/foreclosure management processes. Additionally, TBW does not provide Fannie Mae a LASER status code that identifies the stage of delinquency, and at September 30, there were 18 such loans that were 3 or more months delinquent. Failure to report status codes hinders Fannie Mae's ability to monitor and assess the lender's default management performance and distorts the seriously-delinquent statistics. Finally, 30-day delinquencies have roughly doubled from July to September, growing from .76% to 1.43% of TBW's portfolio.

Some aspects of TBW's default management have improved in recent months. In August, TBW outsourced handling of its serious delinquency cases to an outside firm, and that firm has begun loss mitigation efforts, or, if appropriate, has referred cases to attorneys to begin the foreclosure process. Additionally, TBW has begun pursuing modifications to mitigate losses to Fannie Mae.

Fannie Mae requires the lender to establish procedures that allow for early intervention, consistent contact and follow-up with borrowers, analysis of the circumstances of each default, evaluation of each delinquency for loss mitigation, and proper action to protect the security. Failure to ensure that default servicing functions are performed effectively could result in increased losses to Fannie Mae.

Mr. Farkas agreed to ensure that TBW performs and documents appropriate default management procedures on all Fannie Mae loans through all stages of default.

copy for Sam

Subject: **[Fwd: Taylor, Bean & Whitaker update.]**
Date: Wed, 06 Oct 1999 17:49:13 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)

print and put in suspense for 2 weeks

-------- Original Message --------
Subject: Taylor, Bean & Whitaker update.
Date: Wed, 06 Oct 1999 17:07:55 -0400
From: (b) (7)(C)
Organization: Fannie Mae
To: (b) (7)(C)

memo.doc	**Name:** memo.doc **Type:** Microsoft Word Document (application/msword) **Encoding:** base64 **Download Status:** Not downloaded with message

meeting on Fri, Oct 15 @ 9:00-10:00 A.M.

FNM-TBW
0004373

oppahelter
Exhibit No. 3
(b) (7)(C)

FannieMae

MEMORANDUM

Date : October 6, 1999

To : (b) (7)(C)

From : [redacted]

Subject Update on Taylor, Bean & Whitaker (TBW)

On February 10, 1999 an initial visit was performed by servicing in anticipation of TBW originating and selling a billion dollars of MBS loans to Fannie mae in 1999. At that time, TBW was servicing 431 actual/actual loans and 1,754 scheduled/scheduled loans with an overall delinquency ratio of 2.6 percent. The S/S loan servicing was to be sold and transferred on a quarterly basis to Colonial Mortgage Company. From this review the following observations were made.

TBW's servicing software, InterLinq) did not appear to adequately perform the necessary reporting function. This was particularly apparent with MBS reporting.

TBW used and outdated version of MORNET and was not able to report status codes and loss mitigation cases to Fannie Mae.

While not reporting status codes and loss mitigation cases there were not procedures for loss mitigation, foreclosure and bankruptcy processing. In addition, there was no documentation of collection efforts due to the limitations of the servicing software.

From this visit, recommendations were made to 1. Incorporated collection, loss mitigation, bankruptcy and foreclosure procedures, 2. Obtain the current version of MORNET, 3. consider a new servicing software system and 4. Send the servicing staff to Fannie Mae's Housing Finance Institution (HFI).

TBW did update MORNET and send their staff to the HFI for training.

A follow up visit was made on July 26,1999 to determine what progress was made in the servicing area. Prior to the visit TBW hired a servicing manager with Fannie Mae experience. He was on board for approximately 3 to 4 weeks prior to the visit and had started to perform bank reconciliations and organize the servicing department.

Results of the July visit:

Shortage/Surplus Reconciliations: No reconciliations were performed There was a $111,628.00 shortage for June 1999.

Custodial Bank Reconciliations: The May 1999 S/S P&I account, A/A and S/S T&I accounts were reconciled. A June 1999 reconciliation was performed for A/A P&I, however it was out of balance by +$209,213.18. This was probably the result of the failure of TBW to net their servicing income out of the P&I collections.

Default Management: There were limited collection efforts documented, no referrals to foreclosure, no bankruptcy management, and no loss mitigation efforts. In addition, even with the current version of MORNET installed, TBW failed to report status codes on delinquent loans. The most seriously delinquent loans were outsourced to RSS Loan Servicing for loss mitigation and foreclosure.

Subsequent to the visit: After returning to the office the following week, I learned that TBW terminated the servicing manger leaving them with no Fannie Mae experience.

Conference call: (b) (7)(C) and I made a conference call to Lee Farkas, CEO, and other members of the servicing staff to discuss the results of the visit and the measures that TBW would have to take to retain their Fannie Mae servicing privileges. We required that default management reports be submitted every two weeks and that the bank, shortage/surplus, and MBS reconciliations be sent on a monthly basis. In addition, we requested a status update on their efforts to hire a qualified servicing manager and an accountant for the reconciliations. After the call, we decided to call for a Fannie Mae audit to determine our risk and the future status of Fannie Mae servicing at TBW.

The following is the current status of TBW servicing efforts.

RSS Loan Servicing is continuing to process the seriously delinquent portfolio for loss mitigation and foreclosures.

TBW has been submitting delinquency reports every two weeks as requested. They are now targeting delinquent loans earlier for collections and loss mitigation. They have not made a decision whether to keep RSS or do foreclosures and loss mitigation themselves. I recommended that they continue to use RSS.

TBW has not submitted bank and shortage/surplus reconciliations. They are now completing the 9/99 reconciliations and advised that they will forward them over the next week.

TBW has engaged MPI Services which is the company that performs the Custodial Accounting and Investor Reporting classes at Fannie Mae's Housing Finance Institute. A representative from MPI has been training TBW for the past three weeks to perform all the Fannie Mae reconciliations and will remain for one more week. In addition, TBW has engaged MPI to come into their shop on a monthly basis to ensure that the reconciliations are properly performed and submitted. This will continue as needed.

TBW hired an accountant to work in the servicing and corporate accounting area. This person has since decided to leave and return to his former firm. They will be searching for another accountant.

TBW has decided not to search for a servicing manager. (b) (7)(C) will remain as the servicing manager with reponsibility over all functions of servicing. There is cross training occurring at this time in the different servicing functions.

7. TBW will have converted to FICS effective 11/1/99.

Current audit: Fannie Mae is conducting their audit of TBW this week. My discussion with the auditors today disclosed the following.

There are delays with deposits to Fannie Mae custodial accounts and delays with remitting collections to Fannie Mae. This is partly attributable to the current servicing software and lack of Knowledge and training of the staff.

There are numerous unreconciled and outstanding items in the collection clearing account.

There is high turnover in personnel and current systems are inadequate.

The auditors are confirming many of the findings and issues that the past two

visits have found. They feel that the overall rating of the audit will be on the low end of a high risk rating.

Our Company

Who We Are
- Board of Directors
- Charter
- Corporate Culture
- Diversity & Inclusion
- Executive Biographies
- Executive Leadership
- Industry
- Corporate Philanthropy

What We Do
- Code of Conduct
- Corporate Fact Sheet
- Corporate Priorities
- Mission

Resources
- American Dream Commitment
- Awards & Achievements
- Corporate Identity
- Corporate KPI Report
- Fannie Mae PAC
- Disaster Response
- Leadership Model
- Our Promise
- Productivity & Cost Savings
- Regulatory Update
- Weekly Messages to Employees

Our Company

Name Zach Oppenheimer
Title Senior Vice President, Eastern Business Center
Division Single-Family Mortgage Business

Current Responsibilities Zach Oppenheimer is Fannie Mae's senior vice president - Single-Family Mortgage Business. He reports directly to the executive vice president – Single-Family Mortgage Business. Oppenheimer manages the company's Eastern Business Center (EBC), and is responsible for the administration and management of the company's customer relationships in the Eastern United States, Puerto Rico and the U.S. Virgin Islands. He and his staff in Philadelphia, Atlanta, Dallas and Chicago, manage more than 70 national customer relationships; help direct more than 22 of Fannie Mae's Partnership Offices; and manage all related credit and pricing policies, the issuance of Mortgage-Backed Securities (MBS) and commitments for the company's portfolio purchases, community investments, and technology initiatives.

During his tenure at Fannie Mae, Oppenheimer served as associate quality control representative in the Philadelphia office, account manager, manager of the Regional MBS department, director of Marketing, and vice president for Marketing.

Past Experience Prior to joining Fannie Mae in 1983, Oppenheimer was a savings manager and corporate lending supervisor at Progress Savings Bank, Norristown, PA. He currently serves on the boards of several community and religious organizations.

Education Oppenheimer has a master of business administration from Drexel University, a bachelor of business administration from Temple University, and completed post-graduate courses at The Wharton School of the University of Pennsylvania.

Contact: Sylvia O'Brien Last Updated: 04/30/2007

Fannie Mae Link
Breaking News
Daily Clips
eFannieMae.com
fanniemae.com
Fannie Mae PAC
Share Your Cost-

My Links
OAG
Expedia
Yahoo
Maps
Amtrak
Yellow Pages
Any Who
Delta
US Air
Web Mail
American
United
Southwest
SharePoint
Northwest
SF Admins Team
Expense Reportir

Oppenheimer
Exhibit No. 2
11.07.07 C. PERKS