# DISCLOSURE MEMORANDUM

ASSET PURCHASE AGREEMENT

between

OCWEN LOAN SERVICING, LLC

and

RESIDENTIAL CAPITAL, LLC,

RESIDENTIAL FUNDING COMPANY, LLC,

GMAC MORTGAGE, LLC,

EXECUTIVE TRUSTEE SERVICES, LLC,

ETS OF WASHINGTON, INC.,

EPRE LLC,

GMACM BORROWER LLC

and

RFC BORROWER LLC

dated as of

November 2, 2012

Any disclosures made with respect to a section or subsection of this Disclosure Memorandum shall be deemed to qualify not only the specific section(s) referenced but also such other sections or subsections that may be affected thereby to the extent the particularity or manner of such disclosure expressly disclosed in one section permits a reasonable person to find such disclosure relevant to such other sections or subsections.

The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of the disclosure. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

Notwithstanding the foregoing, the disclosures contained in Sections 4.4(b), 4.11, 4.13 and 4.14 of this Disclosure Memorandum shall not be deemed to affect or qualify any other Section of this Disclosure Memorandum.



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**SECTION 2.1(g)**

For a schedule of all REMIC transactions, including the residual interests held by Seller, please see the following file:

| **FILENAME** | **DESCRIPTION** | **INTRALINKS LOCATION** |
|---|---|---|
| Disc Memo 23g.xls | REMIC Transactions | 12.34 |

The listed transactions include those where a Seller, as REMIC Administrator, retained the required De Minimis Interest (which may be 0.01%, 0.02% or 0.03%, as applicable). In some cases, the REMIC Administrator retained an interest greater than that required. The remaining REMIC interest, if any, will be an "Excluded Asset."

In certain transactions (listed in the second tab of Disc Memo 23g.xls), the Trustee incorrectly registered the certificates and therefore Sellers were not provided with the required certificate representing their required De Minimis Interest. Sellers will use their commercially best efforts to cause the Trustee to re-register the certificates in the required denominations.

**SECTION 4.3**
**CONSENTS AND APPROVALS**

See the consents listed on Schedule 4.3.

Without agreeing that the failure to obtain these would reasonably be expected to have a Material Adverse Effect:

- the consents by investors or trustees, as applicable, under Servicing Agreements to be obtained as requested by Purchasers, pursuant to Section 6.22 of the Agreement, in the form of PSA Amendments and as to which Sellers will use commercially reasonable efforts to obtain prior to Closing; and

- except for the Contracts identified as "Critical" on Schedule P, any other consents of investors, trustees, insurers, clients or vendors, as applicable, that are identified by Sellers during the 60-day period following execution of this Agreement as being required under provisions of any Assumed Contract, which provisions are not reasonably expected to be abrogated by virtue of the Sellers' ability under the Bankruptcy Code to assign or transfer their interest in such Assumed Contract without regard to such consent requirement.

As soon as practicable after the date hereof, Sellers and Purchaser will hold discussions to identify those contracts, if any, that Purchaser does not intend to assume, for which consent to assign need not be sought.

**SECTION 4.4(b)**
**FINANCIAL STATEMENTS**

For a schedule of potential liabilities related to pending litigation matters, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Pending Litigation as of October 19 2012.xlsx | Schedule of pending litigation matters | 12.34 |

Potential liabilities in respect of the Consent Order, the DOJ/AG Settlement, pending regulatory investigations and the other matters disclosed under Section 4.14 of this Disclosure Memorandum.

For potential liabilities related to claims for servicing errors, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Subservicing Claims_10.19.12.xls | Schedule of potential claims due to servicing errors | 12.34 |

Potential liabilities related to privacy/data security breaches are disclosed pursuant to Section 4.11(b) of this Disclosure Memorandum.

Sellers have incurred expenses in preparing for a bankruptcy filing and negotiating the Agreement, the other asset purchase agreements and related matters.

**SECTION 4.5**
**ABSENCE OF CERTAIN CHANGES OR EVENTS**

Matters described in Section 6.5(g) of the Agreement: Sellers routinely obtain, renew or surrender mortgage origination and servicing licenses in the Ordinary Course of Business due to loan officer turnover and branch office openings and closings.

Matters described in Section 6.5(s) of the Agreement: Sellers have paid, discharged or settled (or agreed to so settle) potential liabilities in respect of litigation claims and counterclaims in the Ordinary Course of Business since June 30, 2012. For a schedule of these matters, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Lit Settlements Post June 30 2012-Final.xlsx | Recently Settled Litigation Claims | 12.34 |

**SECTION 4.6**
**TITLE TO ASSETS**

This representation is contingent on receipt of all necessary Consents in Schedule 4.3.

## SECTION 4.7
## PURCHASED ASSETS USED IN BUSINESS

Effective May 9, 2012, certain of the Sellers and AFI entered into (i) a Purchase and Sale Agreement whereby EPRE, LLC transferred to AFI a 51% ownership interest in the Owned Real Property located in Eden Prairie, MN and (ii) an Assignment of Leasehold Interest whereby GMAC Mortgage, LLC assigned a 51% leasehold interest in the Leased Real Property located in Lewisville, Texas. These agreements also provide that EPRE LLC shall repurchase the transferred ownership interest and GMAC Mortgage shall have the assigned leased interest reassigned for the leased property at any time from and after the Closing but in no event later than December 31, 2014. As a condition to the repurchase and reassignment, the relevant Sellers are required to provide AFI for a period of at least 12 months, with an option to extend such time period for an additional 12 months at AFI's option, with the right to possession of that portion of the space occupied by AFI as of the May 9, 2012, and certain services with respect to such space, subject to Purchaser's agreement to pay rent in proportion to the space occupied and other customary terms.

As of the date hereof, the owner of the Leased Real Property in Lewisville, Texas has an outstanding objection to Sellers' assignment of its leasehold interest in that property to AFI.

## SECTION 4.8
## REAL PROPERTY LEASES

Please see the disclosure included in Section 4.7 of this Disclosure Memorandum concerning the Eden Prairie, Minnesota and Lewisville, Texas properties.

**Section 4.9(b)**
**Mortgage Servicing Portfolio; Servicing Agreements**

Potential Changes to Servicing Agreements

Sellers expect to enter into new servicing agreements as disclosed in Section 6.5(c) of this Memorandum, subject to the written consent of the Purchaser pursuant to Section 6.5 of the Agreement.

Sellers have received notices of termination in connection with the agreements listed in the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Terminating Agreements_10.19.12.xls | Termination Notices | 12.34 |

Certain Servicing Agreements contain servicing triggers with respect to delinquency or loss rates which constitute events of defaults under the Servicing Agreements and permit the investor, bond insurer or trustee, as applicable, to pull the servicing. The following is a list of Servicing Agreements under which triggers have been violated, but servicing has not been pulled:

| Servicing Triggers | Bond Insurer |
|---|---|
| 1999-RS1 | Ambac Assurance Corporation |
| 2001-KS1 | FGIC |
| 2001-RS1 | Ambac Assurance Corporation |
| 2001-RS3 | Ambac Assurance Corporation |
| 2002-KS1 | Ambac Assurance Corporation |
| 2002-KS4 | Ambac Assurance Corporation |
| 2002-KS6 | Ambac Assurance Corporation |
| 2002-KS8 | Ambac Assurance Corporation |
| 2002-RP1 | Ambac Assurance Corporation |
| 2002-RP2 | Ambac Assurance Corporation |
| 2002-RS4 | Ambac Assurance Corporation |
| 2002-RS5 | Ambac Assurance Corporation |
| 2002-RS6 | Ambac Assurance Corporation |
| 2002-RS7 | Ambac Assurance Corporation |
| 2003-KS4 | Ambac Assurance Corporation |
| 2003-KS5 | Ambac Assurance Corporation |
| 2003-KS9 | Ambac Assurance Corporation |
| 2003-RP2 | Ambac Assurance Corporation |
| 2003-RS1 GR II | Ambac Assurance Corporation |
| 2003-RS2 | Ambac Assurance Corporation |
| 2003-RS3 | Ambac Assurance Corporation |
| 2003-RS4 | Ambac Assurance Corporation |
| 2003-RS5 | Ambac Assurance Corporation |
| 2003-RS6 | Ambac Assurance Corporation |
| 2004-KS4 | Ambac Assurance Corporation |
| 2004-KS7 | FGIC |

| | |
|---|---|
| 2004-KS9 | FGIC |
| 2004-RS5 GR I | Ambac Assurance Corporation |
| 2004-RS9 GR I | Ambac Assurance Corporation |
| 2005-EFC7 | FGIC |
| 2005-EMX5 | FGIC |
| 2005-NC1 | FGIC |
| 2005-RS9 | FGIC |
| 2006-HI2 | FGIC |
| 2006-HI5 | FGIC |
| 2006-HSA2 | FGIC |
| 2007-EMX1 | FGIC |
| 2007-HI1 | FGIC |
| 2005-HE1 | FGIC |
| 2006-HE1 | FGIC |
| 2006-HE2 | FGIC |
| 2007-HE2 | FGIC |
| 2007-HE3 | BONY (Trustee) |

In connection with its servicing of securitized mortgage loans, ResCap is subject to contractual caps on the percentage of mortgage loans it is permitted to modify in any securitized pool. In an effort to achieve the best net present value recovery for the securitization trust, ResCap increased the volume of modifications of distressed mortgage loans to assist homeowners and avoid liquidating properties in a collapsing and opaque housing market. In certain securitization transactions, ResCap has exceeded the applicable contractual modification cap. The securitization documents provide that the contractual caps can be raised or eliminated with the concurrence of each rating agency rating the transaction. For certain transactions with respect to which loan modifications have exceeded the contractual caps, the rating agencies have concurred in raising or eliminating the caps, but they have not consented in connection with other such transactions. An investor in a specific mortgage security class might claim that modifications in excess of the applicable cap amounted to a material failure of ResCap to perform its servicing obligations and that the investor was damaged as a result. The following have exceeded modification caps as of August 31, 2012:

| DEAL | ORIGINAL BALANCE | MODIFIED BALANCE | CURRENT PERCENTAGE | REMAINING CAP | EFFECTIVE CAP | CAP PER DEAL DOCUMENT |
|---|---|---|---|---|---|---|
| 2005-KS2 | 550000233.3 | 27681753.00 | 5.03 | 0.03 | 5 | 5 |
| 2005-EMX2 | 641955156.4 | 32994275.83 | 5.13 | 0.13 | 5 | 5 |

Certain agreements entered into by the Agencies and the Sellers have varied or altered the terms of certain specific requirements set forth in the related Servicing Guides and will still be in effect at the time of Closing. These transactions are listed in Section II.B (Bulk Loan Transactions) of Schedule F. There are also GSE Letter Agreements that may alter the terms of the related Servicing Guide. They are listed in Schedule E1.xls in the second tab.

With respect to the beneficiary matrices pursuant to the Servicing Agreements, in some instances, the servicer may have taken action and acquired REOs in the servicer's name rather than in the name of the actual owner of such REOs. This is potentially a deviation from accepted servicing practices.

However, this process is being revised so that Sellers will only take action in the noteholder's name. The following is a list of the relevant transactions:

| LOAN_ID | POOL_ID | SVCR LOAN_ID | SVCR_ID | Servicer | NOTE_DATE | PRIN_ORG_BAL | PAID_TO CURR_DATE | PRIN CURR BAL |
|---|---|---|---|---|---|---|---|---|
| 10996223 | 0003964 | 38996237 | 025 | SUNTRUST | 30-Aug-06 | $134,796 | 01-May-11 | |
| 10723780 | 0003945 | 0004864329 | 286 | PNC Bank | 18-Sep-06 | $700,000 | 01-Sep-08 | $696,530 |
| 10680546 | 0003964 | 0004582536 | 286 | PNC Bank | 20-Mar-06 | $130,500 | 01-Jun-09 | |
| 8340227 | 0003634 | 7435194287 | 600 | GMACM | 03-Jan-03 | $376,057 | 01-May-09 | |
| 9060875 | 0003748 | 7437934425 | 600 | GMACM | 04-May-04 | $400,000 | 01-Aug-10 | |
| 9607923 | 0003756 | 7421778150 | 600 | GMACM | 01-Oct-04 | $206,000 | 01-Jul-09 | $204,873 |
| 9602655 | 0003761 | 7421926908 | 600 | GMACM | 01-Oct-04 | $232,000 | 01-Feb-09 | $214,865 |
| 9712465 | 0003768 | 7438749442 | 600 | GMACM | 18-Nov-04 | $172,500 | 01-Mar-09 | |
| 10251231 | 0003838 | 7440404689 | 600 | GMACM | 04-Nov-05 | $529,300 | 01-Oct-08 | |
| 10380669 | 0003843 | 655673154 | 600 | GMACM | 01-Apr-08 | $400,063 | 01-Jul-09 | |
| 10951599 | 0003964 | 7441955036 | 600 | GMACM | 01-Sep-06 | $70,000 | 01-Nov-10 | |
| 10694294 | 0003964 | 7401319801 | 600 | GMACM | 28-Sep-06 | $67,500 | 01-May-09 | |
| 10146091 | 0003985 | 7440022689 | 600 | GMACM | 25-Aug-05 | $426,500 | 01-Jul-11 | |
| 10163371 | 0003985 | 7425331998 | 600 | GMACM | 09-Sep-05 | $230,000 | 01-Jun-11 | $211,407 |
| 3800989 | 0003474 | 9689979 | 943 | CitiMtge | 29-Dec-89 | $430,000 | 01-Nov-07 | |
| 9816146 | 0003794 | 715020202 | 956 | Provident | 09-Mar-05 | $482,400 | 01-Jun-09 | |
| 19124367 | 0006247 | 22270284 | 986 | BoA | 22-Mar-07 | $178,000 | 01-Mar-10 | $177,320 |
| 10945119 | 0003939 | 0032650046 | AY9 | PHH | 10-Aug-06 | $183,510 | 01-Dec-08 | |
| 10945343 | 0003939 | 0035520147 | AY9 | PHH | 13-Jun-06 | $171,700 | 01-Feb-10 | |
| 10960729 | 0006221 | 006345841 | C61 | Wells | 29-Aug-06 | $225,000 | 01-Sep-10 | |
| 9757075 | 0003776 | 7438820391 | L07 | GMACM | 23-Dec-04 | $424,000 | 01-Feb-09 | $424,000 |
| 10128285 | 0003805 | 7425292539 | L07 | GMACM | 22-Aug-05 | $126,000 | 01-Nov-10 | |
| 10424325 | 0003851 | 359233686 | L07 | GMACM | 29-Nov-05 | $149,600 | 01-Sep-09 | |
| 10977077 | 0003964 | 359283240 | L07 | GMACM | 11-Aug-06 | $57,900 | 01-Mar-11 | |
| 11065289 | 0003964 | 601674638 | L07 | GMACM | 27-Sep-06 | $177,300 | 01-Oct-10 | $177,300 |
| 11055837 | 0003964 | 7442136081 | L07 | GMACM | 25-Sep-06 | $147,200 | 01-Apr-10 | |
| 11404555 | 0003973 | 7442567095 | L07 | GMACM | 07-Mar-07 | $79,200 | 01-Apr-10 | |
| | | | | | | $6,907,027 | | |

Missing Servicing Agreements

The following are missing servicing agreements pertaining to the primary, sub-servicing, master servicing and ETS businesses:

| **Investor No.** | **Platform** | **Relationship** | **Counterparty Name** | **Servicing Fee Amount** |
|---|---|---|---|---|
| 40432 | Primary Servicing | Investor | US Bank Missing Contract | 50 bps |
| 40489 | Primary Servicing | Investor | CSX Capital Missing Contract | 25 bps |
| 40660 | Primary Servicing | Investor | Androscoggin Missing Contract | 37.5 bps |
| 40667 | Primary Servicing | Investor | Cape Cod Bank & Trust Missing | 50 bps |

| Investor No. | Platform | Relationship | Counterparty Name | Servicing Fee Amount |
|---|---|---|---|---|
| | | | Contract | |
| 40676 | Primary Servicing | Investor | Beneficial Mutual Savings Bank Missing Contract | 50 bps |
| 40685 | Primary Servicing | Investor | Granite Bank Missing Contract | 75 bps |
| 40698 | Primary Servicing | Investor | Passumpsic Savings Bank Missing Contract | 37.5 bps |
| NA | Master Servicing | Backup Servicing Client | First Citizens | 1.9 bp per annum |
| NA | Master Servicing | Backup Servicing Client | Mid-States | 2.0 bp per annum |
| NA | Master Servicing | Backup Servicing Client | Wachovia | $7500 per annum |
| NA | Trustee | Client | Acquira Loan Services | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | AMS Servicing, LLC | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Aurora Loan Services | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Barclays Capital RE | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Bayview Loan Servicing | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | BSI Financial Services | $ per loan according to |

| Investor No. | Platform | Relationship | Counterparty Name | Servicing Fee Amount |
|---|---|---|---|---|
| | | | | FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Carrington Mortgage Services | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Countrywide Bank, FSB | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | EMC Mortgage Corporation | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Green Tree Servicing, LLC | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Gregory Funding | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Indymac Bank, FSB | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | iServe Servicing, INC. | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Litton Loan Servicing | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |

| Investor No. | Platform | Relationship | Counterparty Name | Servicing Fee Amount |
|---|---|---|---|---|
| NA | Trustee | Client | Marix Servicing | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Midland Mortgage Company | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Nationstar Mortgage, LLC | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Ocwen Loan Servicing | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Quantum Servicing Corporation | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Saxon Mortgage Services, Inc. | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| NA | Trustee | Client | Specialized Loan Servicing, LLC | $ per loan according to FNMA/FHLMC/ Gov't/RFC Guidelines |
| 41268 | Recovery | Client | DB Structured Products (Investor #41268) | 30% of collections |
| 42233 | Recovery | Client | Greenwich Capital Acceptance (Depositor) Greenwich Capital Financial Prod (Seller) /Wells Fargo Bank (Master Servicer)/Clayton Fixed Income Services INC (CRM) | 30% of collections |

| Investor No. | Platform | Relationship | Counterparty Name | Servicing Fee Amount |
|---|---|---|---|---|
| 42276 | Recovery | Client | Greenwich Capital Financial Prod (Seller)/Wells Fargo Bank (Master Servicer) Clayton Fixed Income Services (CRM)/Deutsche Bank National Trust Company (Trustee) | 30% of collections |
| 42183 | Recovery | Client | Nomura Asset Acceptance Corporation (Depositor)/ Nomura Credit & Capital INC (Sponsor)/ Wells Fargo Bank (Master Servicer) | 30% of collections |
| 94000 | Recovery | Client | Merrill Lynch Mortgage Lending INC | 30% of collections |
| 41202 | Recovery | Client | DLJ Mortgage (Servicer)/Wells Fargo Bank NA (Master Servicer)/HSBC (Trustee) | 30% of collections |
| 40292 | Recovery | Client | Deutsche Bank AG (Assignor)/Deutsche ALT-A Securities (Assignee) | 30% of collections |

Missing Side Letters

Under the terms of certain servicing transactions for which Sellers subservice the underlying MSR, the relevant side letter that has ceded a portion of the servicing fee to the MSR owner is missing. The following is a list of those transactions:

| Investor Code | Contract Record | Client | Portfolio Service Fee Rate | GMAC Fee (bps) | Comments | Side Letter |
|---|---|---|---|---|---|---|
| 41370 | 149 | Deutsche | 0.3750 | 0.0400 | | Missing |
| 41402 | 150 | Deutsche | 0.5000 | 0.2700 | | 597 |
| 41426 | 152 | Deutsche | 0.3750 | 0.0400 | | 2844 |
| 41554 | 151 | Deutsche | 0.5000 | 0.2100 | | 591 |
| 41655 | 153 | Deutsche | 0.3750 | 0.0350 | | Missing |
| 41797 | 155 | Deutsche | 0.5000 | 0.1800 | | Missing |
| 41830 | 160 | Deutsche | 0.2500 | 0.0250 | | 2845 |
| 41899 | 162 | Deutsche | 0.3750 | 0.0250 | | Missing |
| 41925 | 161 | Deutsche | 0.0375 | 0.0800 | | Missing |
| 41998 | 166 | Deutsche | 0.3750 | 0.0250 | | 2846 |
| 42069 | 167 | Deutsche | 0.3750 | 0.0900 | | Missing |
| 42084 | 170 | Deutsche | 0.2500 | 0.0600 | | 2847 |
| 42109 | 168 | Deutsche | 0.5000 | 0.2000 | Stated in PSA as GMAC Service Fee Rate | N/A |
| 42141 | 172 | Deutsche | 0.0520 | 0.0500 | | Missing |
| 42151 | 180 | Deutsche | .25, and .375 | 0.0600 | | 181 |
| 42168 | 175 | Deutsche | 0.0520 | 0.0500 | | Missing |
| 42182 | 192 | Deutsche | .25, and .375 | 0.0300 | | Missing |
| 42280 | 186 | Deutsche | Various | 0.0400 | | 187 |
| 42288 | 194 | Deutsche | 0.3750 | 0.0900 | | 197 |
| 41444 | 235 | Greenwich | 0.5000 | 0.3000 | | Missing |
| 41633 | 236 | Greenwich | .03 and .375 | 0.0300 | Embedded in RSA | N/A |
| 41746 | 238 | Greenwich | 0.3750 | 0.0350 | | 361 |

| Investor Code | Contract Record | Client | Portfolio Service Fee Rate | GMAC Fee (bps) | Comments | Side Letter |
|---|---|---|---|---|---|---|
| 41861 | 241 | Greenwich | 0.3750 | 0.0250 | Embedded in RSA | N/A |
| 42144 | 245 | Greenwich | Various | 0.0250 | Embedded in RSA | N/A |
| 42233 | 247 | Greenwich | 0.0325 | 0.0250 | Embedded in RSA | N/A |
| 42276 | 248 | Greenwich | Various | 0.0550 | Embedded in RSA | N/A |
| 41137 | 222 | MIT | 0.3750 | 0.0500 | | 476 |
| 41195 | 223 | MIT | 0.3750 | 0.0500 | | 476 |
| 41213 | 225 | MIT | 0.3750 | 0.0400 | | 476 |
| 41270 | 226 | MIT | 0.2500 | 0.0350 | Based on Prior Mth Ending Sch Balance * Retained Rate | 476 |
| 41353 | 227 | MIT | 0.3750 | 0.0300 | | 476 |
| 41385 | 228 | MIT | 0.2500 | 0.0300 | | 476 |
| 41569 | 231 | MIT | .25 and .375 | 0.0300 | | 476 |
| 41021 | 324 | Normura | 0.0000 | 0.0005 | Based on Prior Mth Ending Sch Balance * Retained Rate | 449 |
| 41085 | 325 | Normura | 0.0000 | 0.0006 | Based on Prior Mth Ending Sch Balance * Retained Rate | 451 |
| 41251 | 327 | Normura | 0.0000 | 0.0027 | Based on Prior Mth Ending Sch Balance * Retained Rate | 452 |
| 41272 | 323 | Normura | 0.0000 | 0.0007 | Based on Prior Mth Ending Sch Balance * Retained Rate | 448 |
| 41273 | 322 | Normura | 0.0000 | 0.0007 | Based on Prior Mth Ending Sch Balance * Retained Rate | 447 |
| 41303 | 330 | Normura | 0.0000 | 0.0025 | Based on Prior Mth Ending Sch Balance * Retained Rate | 454 |
| 41419 | 332 | Normura | 0.0000 | 0.0025 | Based on Prior Mth Ending Sch Balance * Retained Rate | 456 |
| 41514 | 333 | Normura | 0.0000 | 0.0024 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 41567 | 334 | Normura | 0.0000 | 0.0020 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 41642 | 336 | Normura | 0.0000 | 0.0021 | Based on Prior Mth Ending Sch Balance * Retained Rate | 461 |
| 41836 | 337 | Normura | 0.0000 | 0.0004 | Based on Prior Mth Ending Sch Balance * Retained Rate | 464 |
| 41884 | 339 | Normura | 0.0000 | 0.0003 | Based on Prior Mth Ending Sch Balance * Retained Rate | 469 |
| 41972 | 342 | Normura | 0.0000 | 0.0003 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 42073 | 348 | Normura | 0.0000 | 0.0034 | Based on Prior Mth Ending Sch Balance * Retained Rate | 487 |
| 42116 | 343 | Normura | 0.0000 | 0.0003 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 42183 | 346 | Normura | 0.0000 | 0.0003 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 42185 | 344 | Normura | 0.0000 | 0.0004 | Based on Prior Mth Ending Sch Balance * Retained Rate | Missing |
| 41188 | 260 | UBS | 0.5000 | 0.2500 | | 263 |
| 41259 | 264 | UBS | 0.4400 | 0.3000 | | 265 |
| 41339 | 269 | UBS | 0.5000 | 0.2200 | | 271 |
| 41460 | 273 | UBS | 0.5000 | 0.2500 | | 2851 |
| 41546 | 275 | UBS | 0.2500 | 0.0500 | | Missing |
| 41552 | 284 | UBS | 0.5000 | 0.1980 | | 287 |
| 41677 | 253 | UBS | .5 and 1.5 | 0.2300 | | 289 |
| 41829 | 294 | UBS | 0.3750 | 0.0400 | | Missing |
| 41859 | 292 | UBS | 0.5000 | 0.2490 | | 293 |
| 42042 | 296 | UBS | 0.5000 | 0.3300 | | 297 |
| 42179 | 300 | UBS | 0.5000 | 0.3600 | | 301 |
| 41605 | 105 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41619 | 106 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41610 | 113 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41700 | 111 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41685 | 104 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41757 | 109 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41742 | 103 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41795 | 114 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41840 | 115 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41863 | 116 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41897 | 107 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41890 | 117 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41916 | 118 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41988 | 119 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 41990 | 119 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 42017 | 121 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 42112 | 122 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 42127 | 123 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 42115 | 123 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |
| 42238 | 128 | Aurora | Various | $ Per Loan | Embedded in PSA | N/A |

With respect to such missing Servicing Agreements and missing side letters, Sellers have (i) been servicing the relevant mortgage loans in accordance with Applicable Requirements; and (ii) have not received any notice of termination or violation nor do they have any Knowledge that any counterparty thereto is threatening to terminate or seeking to amend such missing Servicing Agreement or missing side letters. Sellers will use commercially reasonable efforts to obtain the missing Servicing Agreements and missing side letters prior to the Closing.

Excess Strip Transactions

The Sellers do not have the PSAs and related transaction documents for the excess servicing strip transactions listed in sections II.C and III.D of Schedule F. The payment terms can be determined from the Sellers' tapes and Books and Records.

In addition to these excess strip transactions referenced above, there is one transaction where Sellers are not earning any servicing compensation as a result of a similar transaction. Since the agreements are missing, Sellers are not able to ascertain why it is not earning servicing compensation. There could be several reasons – e.g., at the time of sale, it was determined that the present value of the servicing strip was worth more than the future income. This relates to $[•] of unpaid principal balance as of August 31, 2012.

With respect to the last sentence of Section 4.9(b) of the Agreement, Sellers are also required to obtain the consents listed on Schedule 4.3, including the Agency Consents.

The following is a list of those transactions under which Sellers have received notice of potential claims for servicing errors from investors:

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| American Residential Equities, Inc. | 401 | CLM-201005-00023 | All of the ARE loans have transferred out to Acqura effective 5/3/2010. As of end of month April they owe us $1,007,933.65 for outstanding advances. ARE has since sued us for breach of contract (CLM-201204-00172). The collection of this claim is being handled through our counterclaim to that suit. | $ (1,007,933.65) | | $ (1,007,933.65) | $ (1,007,933.65) |
| American Residential Equities, Inc. | 401 | CLM-201204-00172 | ARE has sued GMACM and alleged between $26 and $69 million dollars in damages. We believe the litigation and related claims have no merit and are vigorously defending the suit. We believe the anly reason for the litigation is for ARE to | $ 26,540,629.00 | | $ 26,540,629.00 | $ 26,540,629.00 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| | | | avoid paying the $1 million in advances that are owed GMACM (CLM-201005-00023). | | | | |
| Deutsche Bank - FB | 147 | CLM-201204-00168 | GMAC capitalized amounts in conjunction with modifying loans. GMAC was not reimbursed for those amounts by the agencies prior to transfer. Funds were either sent to the subsequent servicer (Provident) or to Deutsche Bank. FNMA Amounts - $56,934.72 FHLMC Amounts - $59,915.52 | $ (116,850.24) | | $ (116,850.24) | $ (116,850.24) |
| Deutsche Bank - FB | 147 | CLM-201008-00034 | Net amount Deutsche Bank rejected to pay from the 8/1/10 FNMA transfer. Net escrows plus corporate advances $ 220,398.12 Less: FNMA Form 571's pending (claims to FNMA) (11,519.54) Excess Property Inspection Fees (over allowable) (8,333.64) Excess Attorney Fees (over allowable) (1,992.50) Excess BPO's (over allowable) (250.00) Wire to GMAC Mortgage $ 198,302.44 | $(22,095.68) | $ | $ (22,095.68) | $ (10,576.14) |
| Deutsche Bank - FB | 147 | CLM-201009-00082 | With regard to the Freddie Mac transfer on 8/16/10, GMACM billed DB for corporate advances outstanding. DB rejected a portion of those advances as detailed below. GMACM will receive the loan level detail to research the validity of the rejection and will attempt to claim back to DB amounts we do not believe were appropriately rejected. Corporate Advances Due $589,296.01 Less: Filed 104's pending $(10,461.16) 104 audit penalties $(41,502.24) Excess Property Inspections $(25,042.65) Excess Attorney Fees $(14,932.50) Excess Title Search Fees $(12,107.00) Excess Other Fees | $ (104,729.39) | $ | $ (104,729.39) | $ (94,268.23) |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| | | | $(683.84) | | | | |
| Deutsche Bank - FB | 147 | CLM-201203-00163 | GMAC completed a loan modification on LN # 713294743 and Deutsche Bank is claiming the modification agreement that the borrower signed is wrong. The new principal balance is listed as 386859.33 when the original UPB was 520000.00. Also, DB is claiming that the deferred principal balance and interest bearing principal balances listed are incorrect. | $ 149,348.68 | | $ 149,348.68 | $ 149,348.68 |
| Deutsche Bank - FB | 147 | CLM-201110-00146 | Deutsche Bank is claiming GMAC for $44,277.01 for penalty charges assessed for incorrect/late foreclose sale timelines and reporting while GMAC was servicer prior to transferring loans to Provident. | $ 44,277.01 | | $ 44,277.01 | $ 44,277.01 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| Deutsche Bank - FB | 147 | CLM-201106-00136 | GMAC LN# 713296838 was in litigation at time of the FNMA transfer to Provident last year. GMAC was named in the litigation so the loan was pulled from transfer, and GMAC has been servicing the loan since. It is creating issues for Provident since they don't have the loan to report on each month to FNMA. Since there is still active litigation on the account, transferring the loan to Provident is not the best solution. Instead, GMAC is proposing to transfer the loan to GMACM's servicer number which would require DB to agree to sell the servicing rights to GMAC. The current UPB of the loan is $173,774.66. The account is due for October 2009 payment and the account is in foreclosure. GMAC offered $1738 to purchase the servicing rights of this loan and James Campbell of Deutsche Bank accepted the offer. | $ 1,738.00 | | $ 1,738.00 | $ 1,738.00 |
| Deutsche Bank - FB | 147 | CLM-200909-00010 | The city of Dania, FL cited numerous property violations and issued a FINAL ORDER to GMAC on 5/29/2008 and gave GMAC until 6/10/2008 to resolve Fines have been accruing and the balance is over $25,000. There is also a lien from the city for $80,000. | $ 96,010.06 | $ 71,010.06 | $ 25,000.00 | $ 20,883.39 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| Deutsche Bank - FB | 194 | CLM-201111-00148 | The BPO performed in 2008 on this property valued only one parcel when there are actually 2 parcels associated with the property. The FC bid was prepared on that BPO which was based on the vacant parcel and set far below the actual value of the property. The valuation was not reconciled and comparing to the original appraisal of $463,000.00 the trust incurred a $304,451 loss. Clayton anticipates the value should have been approximately $250,000 leading to a foreclosure bid of $225,000 (90%). This is a variation of $185,000.00 which Clayton is asking GMAC to indemnify the trust for. | $ 185,000.00 | | $ 185,000.00 | $ 92,500.00 |
| Lehman Brothers - FB | Multiple | CLM-201204-00170 | When Lehman filed for bankruptcy, they owed GMACM $1.6 million in unpaid servicing fees (roughly 2 .5 months of invoices not paid). In addition, they filed a reference claim of $2.5m. | $ 2,500,000.00 | $ 3,190,000.00 | $ (690,000.00) | $ (690,000.00) |
| Lehman Brothers - FB | 35 | CLM-201204-00171 | Lehman has indicated they have claims against GMACM on 250 loans totaling $10m to $20m damages Lehman believes it suffered specifically related to servicing errors. We believe this is a ploy to force us to settle the BK claim we have with them for considerably less than we previously offered (CLM-201204-00170). | $ 15,000,000.00 | | $ 15,000,000.00 | $ 15,000,000.00 |
| Macquarie Mortgages USA, Inc. - FB | 23 | CLM-201203-00161 | Macquarie requesting reimbursement of $18,543.31 in value fade due to a foreclosure postponement for improper NOD. We have rejected the value fade amount but have agreed to the additional interest. | $ 18,543.31 | $ 17,000.00 | $ 1,543.31 | $ 1,543.31 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| Macquarie Mortgages USA, Inc. - FB | 28 | CLM-201204-00169 | Delay in approving the FC package for review and approval. MI company penalty of 33 days. MI claim payment for these days amounted to $36.26. Loan # 8710003385 | $ 36.26 | | $ 36.26 | $ 36.26 |
| Macquarie Mortgages USA, Inc. - FB | 23 | CLM-201204-00167 | Account # 8710002976 - MI claim - penalized Macquarie for 86 day delay between 3/7/11 and 5/31/11. The SOT was uploaded by the attorney but was not executed/notarized and sent to the attorney until 5/17/11. FC/Claims are in agreement that the penalty amount is due Macquarie | $ 1321.82 | | $ 1321.82 | $ 1321.82 |
| Morgan Stanley Mortgage Capital Inc. | 605 | CLM-201112-00151 | Claim covers: A) $320,043.58 - Default advances paid post transfer B) $60,685.10 - Cash processing exceptions C) $127,294.83 - Tax penalties D) $23,615.74 - American Home Transfer Management Claims E) $1,581.00 - Litigation Advances F) $16,695.76 - Investor Billings not paid We believe we should waive all but (C) and (F) because we did not provide the information to Morgan in a timeframe to allow them to recover the amounts. Amounts represented in (C) and (F) could not have been recovered. | $ (549,916.01) | $ (405,925.42) | $ (143,990.59) | $ (143,990.59) |
| UBS Real Estate Securities, LLC - FB | | CLM-201206-00177 | #835010446 - UBS loan whereas GMAC incorrectly foreclosed; the borrower filed a lawsuit which was very lengthy and costly. The property sold 3rd party. UBS has requested that GMAC pay some of the higher costs on servicing this loan since they believe it was our error. | 1364332.99 | | 1364332.99 | 1364332.99 |
| Macquarie Mortgages USA, Inc. - FB | | CLM-201206-00178 | REO sale was stopped by HOA company because the first mortgagee plaintiff in the FC sale was not the party who took title. | $42,853.85 | | $42,853.85 | $42,853.85 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| Mortgage Investors Corporation - FB | | CLM-201206-00173 | Loan 708101527 - Fcl slae 2/18/11 The VA denied conveyance on this property as the title package was not received in a timely manner. ETS advised the deed was uploaded in LPS for execution but it took over 20 plus days for ETS to receive the executed deed. The delay in receiving the executed deed caused the title package not be submitted in a timely manner. The VA extension expired before the step in LPS. This loan has been placed into REO. | $136,672 | 0 | $136,672 | $136,672 |
| Mortgage Investors Corporation - FB | | CLM-201206-00174 | Loan 708105320 - Fcl slae 5/3/11 The VA denied conveyance eon this property as the title package was not received in a timely manner. ETSadvised that when they submitted the VA package the trustee Deed was missing on file as the title company failed to record the document and notify ETS of this issue. This loan has been placed into REO. | $97,013 | 0 | $97,013 | $97,013 |
| Mortgage Investors Corporation - FB | | CLM-201206-00175 | Loan 359530327 - The lien was released in error. A deed of trust of conveyance was recorded saying paid in full. The only way to correct the erroneous DOT conveyance issue caused by Lien Release is to pursue a judicial action against the customer. | $207,106 | 0 | $207,106 | $207,106 |
| E*Trade Bank - FB | 285 | CLM-201207-00185 | HOA dues GMAC did not maintain causing FHLMC to incur late fees - Freddie billed E-Trade. E-Trade requesting reimbursement. GMAC# - 354540268, 356011249, 356012256 | $9300.79 | | $9300.79 | $9300.79 |
| MortgageIT - FB | 230 | CLM-201207-00186 | Tax claim GMACM submitted for loan 713911593 due to incorrect legal. MortgageIT responded advising they will not pay any claims due to our BK filing & amount of funds | $-3635.44 | $-3635.44 | $0 | $0 |

| Account Name | Related Contract | Claims: Claim Number | Claim Description | Initial Claim Amount | Denied Claim Amount | Open Claim Amount | Net Open Amount |
|---|---|---|---|---|---|---|---|
| | | | GMACM owes MortgageIT. | | | | |
| Macquarie Mortgages USA, Inc. - FB | 00000012 | CLM-201209-00187 | REO sold property via a bulk asset sale process that didn't follow Equator approval matrix rules. As a result, Macquarie didn't have input into the sale figures. | $17,515 | $17,515 | $0 | $0 |
| Greenwich Capital Financial Products, Inc. - FB | 351 | CLM-201209-00190 | 3/14/06 - GMACM foreclosed on second lien and bought out 1st lien. When told by atty that 4/27 FC sale by 1st lien holder was invalid due to BK filing, payments were accepted in error. GMACM's foreclosure sale was valid. Due to accepting payments, reforec | $-23,9931.27 | | $-23,9931.27 | $-23,9931.27 |
| Macquarie Mortgages USA, Inc. - FB | 23 | CLM-201210-00191 | Short sale approved by Macquarie which included $3000 on the HUD1 for HAFA. D. Conary/GMACM agreed to remove this from the HUD1 as Macquarie doesn't participate in HAFA. Based on the final HUD1, it appears this didn't occur. | $3000 | | $3000 | $3000 |

**SECTION 4.9(e)**
**MORTGAGE SERVICING PORTFOLIO; SERVICING AGREEMENTS**

In the Ordinary Course of Business, isolated, non-systemic escrow account administration and accounting issues occasionally have been raised by borrowers and at times by state regulators in the course of examinations of GMAC Mortgage, LLC. In any such instance one-time adjustments were made to the accounts of the affected customers or it was determined that the finding was unwarranted and responses accordingly were provided to the borrower or state regulator, as applicable.

**SECTION 4.10**
**ASSUMED CONTRACTS**

There are numerous subordinate agreements where the Seller obtains goods and services under terms and conditions specified by a contract between AFI and third party. To the extent that the contracting party is AFI, Sellers are not permitted to disclose these agreements to Purchaser.

With respect to Software Contracts that are deemed Material Contracts, a portion of such contracts are currently reflected as "expired" in AFI's vendor contract management system, which Sellers do not maintain or control. At this time, Sellers are verifying whether these contracts are actually expired or whether the vendor management system contains incorrect entries. As of the date hereof, Sellers believe they have identified and provided the Material Contracts. With the exception of the Contracts identified as "Critical" in Schedule P, Sellers expect to continue to verify this post-signing and provide a revised schedule of Material Contracts.

In addition, many agreements in the vendor management system have a listed counterparty that needs to be updated (usually because the counterparty was acquired or split, or the agreement was assigned to a new vendor). However, both vendor and Seller are operating in good faith so that these issues do not affect the effectiveness of such agreement. The following agreements are currently listed under a counterparty that is out of date:

| **LISTED COUNTERPARTY** | **CURRENT COUNTERPARTY** |
|---|---|
| Genworth | Blitzdocs (a subsidiary of Xerox) |
| Newport Management | QBE/Balboa |
| Data-Link Systems, LLC (d/b/a MortgageServ) | FiServ Solutions, Inc. |
| Fidelity | LSI (a subsidiary of Lender Processing Services) |
| First American Corelogic Inc. | First American |
| First American Corelogic Inc. | Corelogic |
| ICT Group, Inc. | Skyes Enterprises |
| Peoplesupport, Inc | Aegis Legal |

**SECTION 4.11(a)**
**LICENSING AND DATA SECURITY**

The matters disclosed under Section 4.14 of this Disclosure Memorandum are incorporated into this Section 4.11(a).

Active State Exams – With Findings

Below are the results of state exam reports that allege violations or findings of non-compliance:

| State | Entity | Exam Coverage Period | Issues/Findings | Corrective Action Tracking/Ownership/Validation (if applicable) |
|---|---|---|---|---|
| California | GMAC Mortgage dba ditech | 02/01/2010 – 01/31/2011 | • Failure to comply with due diligence requirements with CA Section 2923.50.<br>• Notice of Sale on one loan was filed one day early.<br>• 2 loans where amounts on NOD were overstated.<br>• Incorrect contact date due to formatting error on Notice of Default – 2 loans.<br>• SCRA – 1 loan where payments calculated incorrectly, missing sufficient evidence in file of borrower's military status.<br>• Deviations from HAMP Guidelines – 5 loans.<br>• Loan Brokerage Agreement not approved by the commissioner. | • SCRA - Option Letter updated to include a SCRA insert.<br><br>Corrective Action Completion Date: 04/27/2012 |
| California (Finance Lender License) | GMAC Mortgage dba ditech | 10/01/2008 – 10/01/2011 | • Officers/directors on file with CA DOC were not updated accurately. | No corrective action required. GMAC Mortgage provided evidence of compliance with its response. |
| Illinois | GMAC Mortgage | 04/05/2012 – 06/30/2012 | • Loan log needs to include the location of where the closing documents were signed. | |
| Kentucky | GMACM - Origination | 09/21/2009 – 12/31/2011 | • Unregistered loan officer.<br>• Recordkeeping – No disbursement records or loan conditions in files. | |
| Kentucky | GMACM – Servicing | 09/21/2009 – 01/23/2012 | • No Hello letters in files. Several foreclosure files missing signed Judgments or Affidavits.<br>• One file had a 5% late charge when the note only provided for 4%. Self-audit requested. | |
| Massachusetts | Ditech, LLC | 06/01/2008 – 06/01/2011 | | |
| Nevada | Executive Trustee Services, LLC | 09/01/2011 – 09/01/2012 | | |

| State | Entity | Exam Coverage Period | Issues/Findings | Corrective Action Tracking/Ownership/Validation (if applicable) |
|---|---|---|---|---|
| Nevada | GMAC Mortgage – Collection Agency, Dallas, TX & Waterloo, IA | TBD | • Post Office boxes need to be registered along with the main address.<br>• The first written communication sent to the debtor, must disclose fees. | • Post Office Boxes need to be registered along with the main address.<br><br>Corrective Action Completion Date: 07/31/2012 |
| Nevada | GMAC Mortgage, LLC | 04/06/2012 - 07/31/2012 | | |
| Oklahoma | GMAC Mortgage, LLC | 10/01/11 – present | | |
| Tennessee | GMAC Mortgage dba ditech – Origination and Servicing | 5/1/2008 – 6/1/2010 | • Interest in excess of the maximum rate allowed by law (Home Loan Rate) - 418 loans.<br>• Interest in excess of the maximum rate allowed by law (Formula Rate) on 181 loans.<br>• Rate adjustments on HELOCs exceeded the max rate (Formula Rate) - 68 loans.<br>• Failed to maintain complete books and records - 11 accounts.<br>• Licensee unable to provide 517 files requested for review.<br>• Licensee failed to maintain copies of disbursement checks - 6 accounts.<br>• Licensee charged fees in excess of 2% on 48-second mortgage loans.<br>• Licensee made 41 section 32 loans. Section 32 disclosures were missing from the loan file.<br>• Licensee failed to include the loan originator and broker license number and the NMLS unique identifier on applications | |

| State | Entity | Exam Coverage Period | Issues/Findings | Corrective Action Tracking/Ownership/Validation (if applicable) |
|---|---|---|---|---|
| West Virginia | GMAC Mortgage, LLC dba ditech | 07/01/2008 – 04/30/2011 | • Implement Policies & procedures to produce loan servicing documentation in a timely manner<br>• Prohibited fees. Self-audit is requested.<br>• Failure to provide evidence that notification of certain advances was made to the borrower within a reasonable time. Self-audit is requested.<br>• Notarization of breach letters.<br>• Collection letters to WV borrowers included language that was perceived as fraudulent, deceptive and misleading. Self-audit of collection letters is requested. | • Policies and procedures for record database<br>• Record Retention of Monthly Account Statements. Increase from 12 month to 36 rolling basis.<br><br>Corrective Action Completion Date: 04/18/2012<br><br>Collection letters in the process of being reviewed by Legal and Compliance. |

**SECTION 4.11(b)**
**LICENSING AND DATA SECURITY**

With respect to unsecured loans that GMACM has originated, such mortgage loans fall into two categories:

1) Loss Mitigation unsecured promissory notes (for balances due after deed in lieu or short sale or HUD partial claim)

These loans were originated in either GMACM's name, in the name of a mortgage insurer company as lender or HUD. HUD services the partial claim notes and that ETS services the remaining unsecured loss mitigation notes. Based on a potential lack of proper licensing, ETS has stopped servicing the unsecured loss mitigation loans originated by GMACM. ETS has applied for necessary licenses relating to these loans.

2) Fannie Mae Homesaver Advance (HSA) Loans

HSA was a Fannie Mae loss mitigation program from 2008 until 2010 under which an unsecured loan would be made to the borrower in the form of an advance (funded by GMACM and reimbursed by Fannie Mae) to cure the delinquency on a GMACM serviced loan. The servicing of the unsecured HSA loan would be immediately transferred to a third party servicer on behalf of FNMA. GMACM does not have records of the number of HSA loans originated by GMACM as the loans were immediately servicing transferred before any payments were due.

Unsecured loans that GMACM/ ETS service fall into three categories:

1) Loss mitigation notes referenced above that were originated by GMACM and are (or were until late last year) serviced by ETS.

2) a recently acquired portfolio of about 15,000 HSA loans that were transferred by FNMA from its third party servicer to GMACM due to poor performance of the third party servicer. The loans are generally delinquent and are servicing transferred out at about 120 days delinquent. GMACM only acquired loans for states in which it was licensed to service unsecured loans or in which its collections vendor Sykes is licensed to service unsecured loans.

3) The Energy Loan Program was a Fannie Mae initiative. It provided loans for home improvements intended to improve energy efficiency of the borrower's home. The note for an Energy Loan is not secured by any type of lien or encumbrance on either the originally-mortgaged property or any other real or personal property of the borrower or any third party. All of the Energy Loans came to us for collections/servicing after the loans had been charged off and the agreement with Fannie Mae is a pure collections agreement. The Agreement is technically between GMACM and FNMA but the collections work is being done by ETS.

<u>Pending Applications</u>

The following is a list of Sellers' pending license applications:

ETS

- Massachusetts Debt Collection License: Licensing is currently compiling application requirements. This application has not yet been filed with the state.
- North Carolina Collection Agency Licensing: Licensing is currently compiling application requirements. This application has not yet been filed with the state.
- Nebraska Collection Agency: Licensing is working with business and legal on in-state office location. This application has not yet been filed with the state.

The licenses above were all requested for the unsecured loan licensing project.

GMACM

- Minnesota Regulated Lender: This license was recently identified due to potential repurchase activity. Sellers did not pursue a license, as there were no unsecured loans in the portfolio.
- Hawaii Exempt Out of State Collection Agency: Application has been filed and is pending with the state. A License was issued for GMACM in Fort Washington, Pennsylvania on September 5, 2012.
- Indiana License Lender: Application has been filed and is pending with the state. Indiana returned the application, indicating license was not required for the activity.
- Maine Debt Collection License: Application has been filed and is pending with the state. License was issued June 7, 2012.
- Michigan Collection Agency: Application has been filed and is pending with the state. In process
- Pennsylvania Consumer Act Discount Licensing: Application has been filed and is pending with the state. License was issued August 20, 2012
- Nebraska Collection Agency: Licensing is working with business and legal on in-state office location. This application has not yet been filed with the state.

The licenses above (except MN) were all requested for the unsecured loan licensing project.

RFC

- Massachusetts Third Party Loan Servicer Registration: Application has been filed and is pending with the state. This license was identified for master servicing activity. In process.
- New York Mortgage Servicer Registration: Application has been filed and is pending with the state. This license was identified for master servicing activity. In process.
- Minnesota Regulated Lender: Research with Legal on license applicability. This license was recently identified due to potential repurchase activity. Sellers did not pursue a license, as there were zero unsecured loans in the portfolio.

Sellers routinely obtain, renew or surrender mortgage origination and servicing licenses in the Ordinary Course of Business due to loan officer turnover and branch office openings and closings.

**SECTION 4.11(c)**
**LICENSING AND DATA SECURITY**

Based on information provided by AFI, since January 1, 2011, there have been two incidents (described below) that qualify as breaches and have been disclosed to regulators, and other unsuccessful attacks that could qualify as threatened breaches but are not tracked by AFI. The two known incidents are:

In 2011, an employee of a vendor engaged by AFI accessed ResCap customer data and allegedly committed identity fraud to obtain credit. AFI notified a set of customers to alert them to the potential exposure.

In 2011, a mortgage attorney applied for employment at GMAC Mortgage, LLC under false pretenses, was hired and worked in the foreclosure area for several months before being terminated. Following that termination, the Company discovered that this individual had potential access to ResCap customer data and the issue could hold potential for litigation claims from vendors or customers.

In some instances, an applicant's or borrower's personal information may have been unintentionally shared with another applicant, borrower, realtor, vendor or another third party. This may have resulted in disclosure of personal mortgage information. These incidents were remediated in accordance with AFI's or Sellers' privacy policies, and none of these incidents have adversely affected Sellers in any material respect.

The foregoing breaches could result in potential claims.

**SECTION 4.12(b)**
**EMPLOYEE BENEFITS**

According to the terms of the ResCap KEIP and ResCap KERP, certain payments as described in b(i) would be triggered by the execution of the Agreement and the transactions contemplated therein.

The following employee plans provide for the payments described in Section 4.12(b)(ii):

- The Ally Financial Inc. Long-Term Equity Compensation Incentive Plan (as amended February 24, 2012);
- The Employees' Retirement Plan for GMAC Mortgage Group LLC (as amended December 20, 2011); and
- The Residential Capital, LLC Enhanced Retirement Savings Plan (adopted effective March 8, 2012).

**SECTION 4.13(a)**
**EMPLOYEES**

With respect to clause (v) of Section 4.13(a) of the Agreement, Sellers have provided Purchaser with individual Business Employee information under the planned ResCap KEIP (Approved by the Bankruptcy Court on October 17, 2012). Should Sellers add additional Business Employees to this plan during the period after signing the Agreement, Sellers will provide the updated information to Purchaser as it becomes available. With respect to clause (v) of Section 4.13(a) of the Agreement, Sellers have provided Purchaser with aggregate— but not individual— Business Employee information under the planned ResCap KERP (approved by the Bankruptcy Court on August 15, 2012). As Sellers add additional Business Employees to this plan during the period after signing the Agreement, Sellers will provide the updated information to Purchaser as it becomes available.

With respect clause (vi) of Section 4.13(a) of the Agreement, two senior employees of Sellers are covered under the Ally Financial Inc. Senior Leadership Severance Plan (as amended May 10, 2010).

**SECTION 4.13(b)**
**EMPLOYEES**

The following is a schedule of pending complaints by employees:

| Claimants | Court | Type of Claim | Date of Filing/ Service | Exposure | Date Closed |
|---|---|---|---|---|---|
| 1 | U.S. E.D. of Pennsylvania | Ally is seeking damages and injunctive relief for misappropriation and dissemination of confidential Ally documents and information. | 7/26/2011 | | |
| 2 | USDC WA | Purported class action for unpaid overtime under FLSA and the WA FLSA on behalf of all nation-wide mortgage underwriters. | 7/9/2010 | $2M-$3M | |
| 3 | Waterloo Commission on Human Rights - Iowa | Former employee of GMAC Mortgage LLC alleges her termination was due to age discrimination. | 7/1/2010 | | |
| 4 | Waterloo Commission on Human Rights | Claimant is alleging Disability discrimination | 8/3/2010 | | |
| 5 | Waterloo Commission on Human Rights-Iowa | Long term Servicing Operations Specialist voluntarily left her employment on  but claims she was forced out due to her disability and in retaliation. | 6/9/2008 | | |
| 6 | Waterloo, IA | Former employee (loan counselor) filed complaint on  claiming termination was unlawfully based on her pregnancy/disability; Company denied claims and contends termination was based on her documented history of excessive absenteeism. | 7/31/2008 | | |
| 7 | Texas Workforce Commission | Former employee alleges FMLA retaliation and Texas Labor Code violations relating to purported whistle-blowing. | 9/14/2010 | N/A | |
| 8 | EEOC Philadelphia District Office | alleges she was denied working from home privileges , the ability to select her work hours, equal pay, and promotions.  Also alleges she | 4/4/2009 | | |

| Claimants | Court | Type of Claim | Date of Filing/ Service | Exposure | Date Closed |
|---|---|---|---|---|---|
| | | was unfairly disciplined because of her race and sex. was RIF'd on after transfer to Detroit Global IT group. | | | |
| 9 | USDC PA | Former Marketing Manager in Ft. Washington, PA location alleges he was discharged because of his age when he was terminated pursuant to a RIF in | 5/17/2011 | | |
| 10 | U.S. EEOC | Former, long term employee of GMAC Mortgage alleges age discrimination as the reason for her termination. | 6/14/2010 | | |
| 11 | EEOC - Dallas, TX | Former employee filed a complaint with EEOC re: race discrimination. | 1/13/2012 | | |
| 12 | Pennsylvania Human Relations Commission | Former employee claims she was discharged because of her gender instead of for fraud/ violation of ethics and conflict of interest policies. | 10/19/2009 | | |
| 13 | EEOC - Philadelphia District Office | Former employee filed a complaint with EEOC re: wrongful termination. | | | |
| 14 | Waterloo Human Rights Commission-Iowa | Long term employee voluntarily left her position on but claims she was forced out because of age and disability discrimination. | 11/8/2010 | | |
| 15 | EEOC - Philadelphia District Office | National Origin discrimination case filed on 6/7/2010. Employee was terminated on | 7/12/2010 | | |
| 16 | Calif. Labor Commission | Wage claim alleging that employee was not paid commissions post-termination. | 2/15/2012 | | |
| 17 | Department of Labor -- Dallas, TX | Plaintiffs allege non-payment of loan commissions. | 9/13/2010 | $5K | |
| 18 | Hennepin County, Minnesota District Court | Collection action in which we are seeking repayment of $58,436 (US) plus interest in 2006 tax equalization advance provided to former expatriate employee. | 8/24/2011 | | |

| Claimants | Court | Type of Claim | Date of Filing/ Service | Exposure | Date Closed |
|---|---|---|---|---|---|
| 19 | Iowa Civil Rights Commission | Former employee alleges sexual harassment, retaliatory failure to promote, constructive termination | 9/25/2012 | | |
| 20 | Pennsylvania Human Relations Commission | Former employee alleges harassment and age discrimination | 9/11/2012 | | |

**SECTION 4.14**
**LITIGATION AND CLAIMS**

The Sellers are subject in the conduct of the Business to the terms of the Consent Order and the DOJ\AG Settlement.

The Sellers are subject in the conduct of the Business to the following pending investigatory matters:

1. The National Credit Union Administration, as conservator for both US Central Federal Credit Union and for Western Corporate Federal Credit Union, is investigating whether any person or entity engaged in conduct constituting an unsafe or unsound practice. Certain subsidiaries of ResCap received subpoenas regarding 41 RFC and GMAC Mortgage securitizations. No case has been filed against the companies.
2. The U.S. Department of Justice has issued requests for records relative to (i) HUD's direct endorsement lender program, (ii) fraud in underwriting and origination of loans, (iii) broad loan level information dated back to 2001.
3. The FDIC has issued subpoenas to RFC, AFI and Ally Securities, LLC requesting documents regarding sales of residential mortgage-backed securities to various banks.
4. The Federal Housing Finance Agency (FHFA), as conservator of Freddie Mac, issued subpoenas requesting documents and information regarding securitizations.
5. The Attorney General for the State of New York served a subpoena on MBIA requesting all records and testimony produced by RFC and GMAC Mortgage to MBIA in our pending MBIA litigation; also served subpoenas on Ambac and Assured Guaranty requesting all communications with RFC and GMAC Mortgage related to loan putbacks.
6. The Securities and Exchange Commission has issued several subpoenas addressing private label securities issues, bulk settlements issues, mortgage foreclosure affidavit issues, and potential obligations to private label securitization trusts in connection with loans they identified as defective for other purposes.
7. The SigTARP made a request for information relating to private label securitization transactions for the 2006-08 time periods, and subsequently has issued subpoenas to GMAC Mortgage and Ally Bank
8. Sellers received a subpoena received from the New York State Department of Financial Services ("NY DFS") on January 19, 2012. The focus of the subpoena is on force-placed insurance practices. The relevant time period is January 18, 2006 to the present. Identical subpoenas were received by Residential Capital, LLC and Residential Funding Company, LLC. Based on media coverage, several other servicers and insurance companies were issued similar subpoenas. On April 12, 2012, GMAC Mortgage, LLC received a Notice of Public Hearing from the NY DFS on the same topic.
9. GMAC Mortgage, LLC received an Administrative Subpoena from the Minnesota Department of Commerce dated February 20, 2012. The focus of this subpoena is our relationship with Lender Processing Services, Inc. ("LPS").
10. The federal Consumer Financial Protection Bureau (CFPB) has served a GMAC Mortgage subsidiary, CapRe of Vermont, LLC, with a formal information demand that arguably is written broadly enough to include GMAC Mortgage, the subject of which is the prior practice of ceding certain private mortgage insurance to a captive reinsurer.

11. In the fall of 2010, after national media coverage of the “robo signing” matter, the Department of Housing and Urban Development's Office of Inspector General (OIG) served Civil Investigative Demands on ResCap, Ally Bank and several GMAC Mortgage employees. Sellers have not received official confirmation that these requests have been satisfied or withdrawn.

12. On November 23, 2010, the Office of the Inspector General (OIG) of the U.S. Department of Housing and Urban Development issued Civil Investigative Demands to Sellers and their employees in connection with the OIG's investigation of residential foreclosure practices.

13. On May 29, 2008, GMAC Mortgage responded in writing to a HUD/TAC investigation regarding whether GMAC Mortgage was offering a "thing of value" (in the form of a "free assistant" through a Home Buyers Scouting Report) to real estate agents in exchange for the referral of business. In mid-August 2008, HUD/TAC requested interviews with two retail loan officers who were mentioned in a flyer produced by another California loan officer, which flyer was apparently the trigger for the investigation. Sellers’ outside counsel provided the HUD/TAC investigator with contact information for the loan officers so that the investigator could contact them directly about signing the statements. Sellers have had no further contact with HUD/TAC (either directly or indirectly through our outside counsel) regarding this investigation since September 2008.

14. On October 26, 2009, each of GMAC and ResCap received a letter from Edolphus Towns (D-NY), Chairman of the Oversight and Government Reform Committee of the U.S House of Representatives, requesting data relating to “VIP” loan programs and to mortgage loan origination and foreclosures from 2000 – 2008, as well as data relating to marketing strategies and lobbying/legislative activities during the same time period. Sellers believe that multiple lenders received this request, following a subpoena by the Committee to Countrywide for similar information. With a new Congress having been elected in 2010 and sworn in in 2011, it is unclear whether this request is still operative.

15. In early December 2009, GMAC Mortgage, LLC received a subpoena from the NY Attorney General’s office in connection to an investigation and inquiry it has undertaken into whether GMAC Mortgage “has been or is engaged in repeated fraudulent practices or illegal acts or are otherwise demonstrating persistent fraud or illegality in the carrying on, conducting, or transaction of business.” A subsequent press release by the Attorney General’s office indicated that approximately 22 companies were under investigation. The assertions in the subpoena specifically relate to fraud with respect to products that are sold to GMAC Mortgage’s customers through affiliated marketers and are particularly focused on the sharing of consumers’ credit or debit card account information with the affiliated marketers. (It is important to note that GMAC Mortgage neither sought nor obtained consumer credit or debit card account information. By the Fall of 2010, the AG’s office had settled with the affiliated marketers being investigated and many of their retail partners, all of whom had transferred account information to the affiliated marketers. Because GMAC Mortgage did not engage in the type of activities that formed the basis of the AG’s investigation and transferred no credit card account information to the affiliated marketers, GMAC Mortgage feels that the AG’s office is no longer actively pursuing this investigation as to GMAC Mortgage.

Additional past orders agreed with various state regulators have been posted to the following location in Intralinks:

| DESCRIPTION | INTRALINKS LOCATION |
|---|---|
| Orders with State Regulators | Folder 12.34.[•] |

Foreclosure Matters:

1. Certain of the Credit Parties and their subsidiaries are parties to approximately 70,000 foreclosure actions pending throughout the United States where certain of the Credit Parties and their subsidiaries acts as loan servicers. On the Petition Date, the Sellers will be filing a motion with the Bankruptcy Court requesting the entry of an order providing among other things, that the stay imposed by section 362 of the Bankruptcy Code be modified solely to enable borrowers under these loans to assert counter-claims against the Sellers in foreclosure proceedings that are related to the subject matter of the underlying foreclosure complaint, excluding claims against the Sellers related to the origination or securitization of such borrowers' mortgage loans.

2. On September 17, 2010, GMAC Mortgage, LLC temporarily suspended mortgage foreclosure home sales and evictions and postponed hearings on motions for judgment in certain states. This decision was made after a procedural issue was detected in the execution of certain affidavits used in connection with judicial foreclosures in some but not all states. The issue relates to whether persons signing the affidavits had appropriately verified the information in them and whether they were signed in the immediate physical presence of a notary. In response to this and to enhance existing procedures, GMAC Mortgage implemented supplemental procedures that are used in all new foreclosure cases to seek to ensure that affidavits are prepared in compliance with applicable law.

   Our review related to this matter is ongoing, and we cannot predict the ultimate impact of any deficiencies that have been or may be identified in our historical foreclosure procedures, other than the settlement amounts referenced below. There are potential risks related to these matters that extend beyond potential liability on individual foreclosure actions. Specific risks could include, for example, claims and litigation related to foreclosure file remediation and resubmission; claims from investors that hold securities that become adversely impacted by continued delays in the foreclosure process and, even in light of the above referenced settlements, ResCap and its subsidiaries could fact actions by courts, state attorneys general or regulators in respect of other aspects of their mortgage businesses and related regulatory fines and sanctions, and other additional costs; and reputational risks.

3. Representatives of federal and state governments, including the United States Departments of Justice ("DOJ") and Housing and Urban Development ("HUD"), the Board of Governors of the Federal Reserve ("FRB"), the FDIC, the Securities and Exchange Commission ("SEC") and law enforcement authorities in all 50 states, announced in October 2010 investigations into the procedures followed by mortgage servicing companies and banks, including ResCap and GMAC Mortgage, in connection with mortgage foreclosure home sales and evictions. On February 9, 2012, Ally Financial Inc., Residential Capital LLC and GMAC Mortgage, LLC, entered into agreements with the Federal Government, 49 State Attorneys General and state banking department (the

"Settlement") in connection with investigations into procedures followed by mortgage servicing companies and banks in connection with mortgage foreclosure home sales and evictions. On March 12, 2012 the Settlement was filed as a consent judgment in the U.S. District Court for the District of Columbia . An independent settlement agreement was reached with Oklahoma, which did not participate in the broader settlement, and agreements were reached with two other states for other releases. The Settlement requires payments of $110 million and borrower relief of $200 million, subject to an upward adjustment, over a three year period. ResCap and GMAC Mortgage were also required to make cash payments of approximately $2.5 million in connection with separate state agreements.

Only certain types of claims were released in connection with the Settlement (the settlement documents are publicly available), and there are other investigations still pending and certain reviews of past foreclosure or servicing actions yet to be conducted that are connected with this settlement (e.g., reviews of files to determine if violations of the Servicemembers Civil Relief Act occurred since January 1, 2006). The result of the pending investigations and reviews are uncertain, but could result in ResCap or its subsidiaries being subject to penalties, sanctions, requirements for borrower restitution payments or other adverse actions.

4. Consent Order entered into on April 13, 2011, by and among the FDIC, the FRB and AFI, Ally Bank, ResCap and GMAC Mortgage. ResCap and GMAC Mortgage are in various stages of implementing various requirements under the Consent Order, including an independent review of certain past foreclosure actions,. to determine if consumers were financially harmed during the covered time period. The results of this independent review are uncertain, but could result in ResCap or GMAC Mortgage being required to pay restitution to borrowers for any such financial harm, including in respect of violations of law such as the Servicemembers Civil Relief Act. The result of the pending investigations and reviews are uncertain, but could result in ResCap or its subsidiaries being subject to penalties, sanctions, requirements for borrower restitution payments or other adverse actions.

5. In addition to the above, the FRB issued a civil money penalty on February 8, 2012 against AFI, ResCap and GMAC Mortgage in the aggregate amount of $207 million with respect to matters addressed in its Consent Order issued in April 2011 with respect to the same or similar matters as addressed in the Settlement mentioned above. This amount will be reduced dollar-for-dollar in connection with our satisfaction of the required monetary payment and borrower relief obligations included in the Settlement.

MidFirst:

REDACTION TO BE DETERMINED

**SECTION 4.18(c)**
**TAX MATTERS**

For a schedule of all REMIC transactions, including the residual interests held by Seller, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Disc Memo 23g.xls | REMIC Transactions | 12.34 |

The listed transactions include those where a Seller, as REMIC Administrator, retained the required De Minimis Interest (which may be 0.01%, 0.02% or 0.03%, as applicable). In some cases, the REMIC Administrator either retained an interest greater than that required. The remaining REMIC interest, if any, will be an "Excluded Asset."

In certain transactions (listed in the second tab of Disc Memo 23g.xls), the Trustee incorrectly registered the certificates and therefore Sellers were not provided with the required certificate representing their required De Minimis Interest. Sellers will use their commercially best efforts to cause the Trustee to re-register the certificates in the required denominations.

**SECTION 4.18(d)**
**TAX MATTERS**

For a schedule of all REMIC transactions, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Disc Memo 418d.xls | REMIC Transactions | 12.34 |

## SECTION 6.5(a)

See other Disclosure Memorandum responses to Section 6.5 of the Agreement.

For the avoidance of doubt, Sellers note here that in accordance with the DIP Financing Agreements, upon such agreements' approval in the Bankruptcy Case, certain of the Purchased Assets will be transferred from their respective Sellers to GMACM Borrower LLC and RFC Borrower LLC, who are "Additional Sellers" and bound by the terms of the Agreement.

## SECTION 6.5(c)

Sellers expect to enter into the following new servicing agreements (subject to the written consent of the Purchaser pursuant to Section 6.5 of the Agreement):

| Account Name | Agreement Type | Update - 5/24/12 | Loan Count | Revenue | Expense | NIBT |
|---|---|---|---|---|---|---|
| Mortgage Master, Inc | Servicing Agreement | Final Edit | 150/mo | $1,167 | $858 | $309 |
| Sacramento 1st Mortgage, Inc. | Servicing Agreement | Final Edit | 100/mo | $368 | $275 | $93 |
| Nations Lending Corporation | Servicing Agreement | Draft | 325/mo | $1,855 | $1,324 | $531 |
| USAA Federal Savings Bank - FB | Servicing Agreement | Negotiation | 500/mo | $3,025 | $2,265 | $760 |
| Mount Olympus Mortgage | Servicing Agreement | Draft | 100/mo | $375 | $279 | $96 |
| Guaranteed Rate, Inc. | Servicing Agreement | Draft | 200/mo retained<br>500/mo interim | $1,391 | $1,012 | $379 |

**3-Year Projection – Dollars in Thousands**

**Executed Recently or Boarded Recently**

| Account Name | Agreement Type | Effective Date |
|---|---|---|
| Fannie Home Saver Advantage Unsecured Loans | Servicing Agreement – Unsecured | 11/18/2011 |
| CommunityOne Bank | Servicing Agreement & Master Servicing Agreement | 3/1/2012 |
| Skyline | Servicing Agreement | 3/1/2012 |
| Highlands | Servicing Agreement | 3/1/2012 |
| High Tech Lending | Servicing Agreement | 6/1/2012 |
| Ally Bank | Servicing Agreement | 5/15/2012 |
| Ginnie Mae | Interim Servicing Agreement (ISA) | TBD |
| Macquarie Mortgages, USA, Inc. | Amendment | 5/14/2012 |
| Roosevelt Mortgage Company | Servicing Agreement | 5/31/2012 |
| WCS – Subservicing Contract | Servicing Agreement | 10/1/2012 |
| First Bank – Whole Loan Contract | Servicing Agreement | 9/28/2012 |

See also the pending agreements with vendors disclosed in Section 6.5(h) of this Memorandum.

See also those servicing agreements for which we have received termination notices, as disclosed under Section 4.9(b) of this Memorandum.

See also the planned expenditures disclosed in Section 6.5(d) of this Memorandum.

## SECTION 6.5(d)

In the Ordinary Course of Business and as part of its 2012 business plan, the Sellers expect to enter into leases for executive office space for its origination and brokerage operations and continue to add Retail Loan Officers during 2012, enabling Sellers to better serve their customers and support the business plan.

Retail Loan Officers operate from executive rental office space. The company will enter into short term lease agreements for executive rental office space as these Retail Loan Officers are hired over the remainder of the year.

Sellers Retail operations operate from approximately twenty executive suites today and expect to add approximately ten more (as well as additional Real Property leases for executive office space for which the monthly lease payment does not exceed $5,000 (provided that Purchaser shall have the right to exclude any such Real Property Leases from the Assumed Contracts and the Purchased Assets at the Closing)) by the end of 2012.

As noted in Schedule H, certain leases expire by their terms over the next year and may not be renewed in the Ordinary Course of Business.

**SECTION 6.5(h)**

IT Expenditures

For Sellers' planned project portfolio, please see the following file:

| FILENAME | DESCRIPTION | INTRALINKS LOCATION |
|---|---|---|
| Disc Memo 65h-1.xls | Planned project portfolio | 12.34 |

Sellers also expect to make certain investments to prepare (pre-sale) for post-sale transition. These include the following:

- Prepare to stand up shared services: ~$3.9 million
- Prepare for asset separation: ~$2.9 million
- Prepare for new name/brand: ~$3.6 million

Note that the estimates above are preliminary based on initial concepts, not actual requirements. The actual amounts could exceed these levels, depending on the requirements.

Sellers have not included internal labor expenses in these estimates, which could be significant.

Note that the items listed above may require Sellers to enter into new agreements with existing vendors or potentially new vendor agreements.

Sellers will also incur the costs identified in the Shared Services Agreement, which has been provided to Purchaser.

Sellers plan to create environments and segregate data stores in support of the ResCap bankruptcy estate. Sellers anticipate that this will result in expenditures of approximately $3 million.

DOJ/AG Settlement Contract Costs

Loan Valuation Group: forecasted to be $1.75 million.

Nations Direct: forecasted to be $175,000.

Estimated increased headcount: 72 additional personnel requested, costing $3.1 million in 2012.

Consent Order Costs

Estimated increased headcount: 56 additional personnel requested, costing $2.5 million in 2012.

DeVry space for PWC contractors: 2012 cost $102,000.

Other Regulatory / State Requirements

Estimated increased headcount: 31 personnel requested, costing $1.4 million in 2012.

Servicing Expenditures

D&T engagement for Reg AB/USAP work: (estimated expenditure of $1.5 million).

PwC engagement for Foreclosure Review (estimated expenditure of $50-75 million).

Hudson Cook engagements for Foreclosure Review: (estimated expenditure of $1.5-2.5 million).

Rating Agency Expenditures: (estimated expenditure of $350,000).

Pending Material Agreements with Vendors

For pending agreements with vendors (some of which may be material), please see the following file:

| **FILENAME** | **DESCRIPTION** | **INTRALINKS LOCATION** |
|---|---|---|
| WIP Report 10 10 12.xlsx | Pending agreements with vendors | 12.34 |

**SECTION 6.5(q)**
**INTERIM OPERATION OF THE BUSINESS; INTERIM OPERATIONS OF THE BUSINESS**

Prior to the Closing, Human Resources, as needed, expects to continue to:

- identify additional employees to participate in KEIP and KERP and other existing incentive and retention plans and to provide compensation thereunder;
- periodically review its accruals under its various compensation plans and make changes in such accruals in accordance with GAAP in response to changes in the employee population participating in the plans; and
- make immaterial changes to programs such as Rewards & Recognition, which offer nominal cash or gift compensation.

## SECTION 6.27
## TRANSFER OF ASSETS TO DIP BORROWERS

The DIP Borrowers, who are Additional Sellers hereunder, do not, and after the transfer described in this section of the Agreement, will not, hold the required licenses to operate the Business.