

Nations Direct Mortgage

CEMA REFINANCE CLOSING PROCESS

1. Nations Direct Mortgage or the mortgage broker emails Abrams Garfinkel Margolis Bergson, LLP (AGMB) notifying them of a new NY CEMA Refinance closing file.
2. Mortgage broker completes the CEMA Request Form (**See Exhibit A hereto**) and emails it to cemarequest@agmblaw.com along with a copy of the borrower's mortgage statement.
3. AGMB prepares the CEMA Analysis Worksheet (containing calculation of the net savings to the borrower by closing the loan as a CEMA and LE disclosure information) (**See Exhibit B hereto**) and emails it along with letters of authorization for the borrower to sign and information regarding any upfront assignment fees and assignment turn-time, to the mortgage broker (**See Exhibit C hereto**).
4. Mortgage broker submits the CEMA Analysis Worksheet to Nations Direct Mortgage so that Nations Direct Mortgage can confirm there is a benefit to the borrower by closing the loan as a CEMA and the loan is flagged/checked off as a CEMA in the Nations Direct Mortgage system.
5. Nations Direct Mortgage conducts their normal underwriting process to clear the loan for closing.
6. Upon return of the signed letters of authorization and checks, if any, AGMB will process the assignment request with the current assigning lender and will open a closing file with Nations Direct Mortgage. AGMB will also request a payoff letter from the current assigning lender.
7. AGMB sends an email to the mortgage broker notifying them that the assignment request has been initiated with the current assigning lender and asking them to forward the Nations Direct Mortgage commitment letter, title report, Form 1003, Loan Estimate, if any, and homeowner's insurance with paid receipt to AGMB for review and approval (**See Exhibit D hereto**).
8. Once AGMB receives the title report we will complete our title review sheet and work with the title company to clear any open mortgages, liens and judgments.
9. When the underlying collateral documents are received from the current assigning lender, AGMB will review them for accuracy. Defective documents will be cured to the extent possible within Nations Direct Mortgage guidelines.
10. Once title is cleared and the underlying collateral documents have been reviewed and approved by AGMB, AGMB sends an email notification to the mortgage broker and the Nations Direct Mortgage processor assigned to the file stating that the loan is clear to close from a legal standpoint.
11. Once Nations Direct Mortgage is clear to close, AGMB will request a final title bill from the title company and a final payoff letter from the assigning lender in order to prepare the Closing Disclosure. The Closing Disclosure will be sent to Nations Direct Mortgage for review and approval. Once approved AGMB will schedule the closing with Nations Direct Mortgage, the

title company and the borrower or the borrower's attorney, if the borrower is being represented by an attorney.

12. AGMB schedules the closing/funding and exchange of the original underlying collateral documents with the current assigning lender's payoff bank attorney.
13. Once Nations Direct Mortgage sends the loan closing documents to AGMB prior to the closing date, AGMB prepares/collates the loan documents in the order that they will be signed at closing, including any CEMA related documents, such as Schedule A of the CEMA Agreement and the 255 Affidavit.
14. AGMB attends and conducts the closing with the borrower on the scheduled closing date.
15. On the funding date, Nations Direct Mortgage funds the loan to AGMB's attorney escrow account and AGMB disburses the loan proceeds in accordance with the final closing disclosure. AGMB provides the current lender's payoff bank attorney with the payoff check in exchange for the original underlying collateral documents.
16. AGMB sends an overnight package to Nations Direct Mortgage closing department containing the original underlying collateral documents, the executed closing disclosure and loan documents and three (3) signed CEMA Agreements.
17. An authorized representative of Nations Direct Mortgage executes the three (3) signed CEMA Agreements and overnights two (2) fully executed CEMA Agreements back to AGMB. AGMB will maintain one fully executed CEMA Agreement and provide the other fully executed CEMA Agreements to the title company for recording in the appropriate county clerk's office.
- 18. It is extremely important that the person or department at Nations Direct Mortgage who receives the overnight package from AGMB is aware not to shred or destroy the original collateral documents or CEMA Agreements at any point in their post-closing/scanning/shredding process. The original collateral documents must be maintained and stored in their original hard copy form and as stated above two (2) executed CEMA Agreements need to be returned to AGMB.**
19. Once received back from Nations Direct Mortgage the CEMA Agreement, along with the 255 Affidavit, Assignment, Gap Mortgage and title company check, are overnighted to the title company for recording. Once recorded, these documents are returned by the county clerk's office to the Nations Direct Mortgage closing department to be added to the closed loan file.

EXHIBIT A

Nations Direct Mortgage

CEMA Refinance Request Form

Complete this form when requesting an Assignment of Mortgage from the current lender to Nations Direct Mortgage.

Email the completed form to cemarequest@agmblaw.com.

Requestor's Information:

1. Requestor's Name: _____
2. Direct Phone Number: _____
3. Email Address: _____

Borrower's Information:

1. Borrower(s) Name(s): _____
2. Complete Property Address: _____
3. Borrower(s) Social Security Number(s): _____

Current Lender's Information:

1. Current Lender's Name: _____
2. Current Lender's Loan Number: _____
3. Unpaid Principal Balance of Current Loan: _____

Nations Direct Mortgage Loan Information:

1. New Loan Amount: _____

A return email will be sent to you that will include the following information:

1. Calculation of the net savings to the borrower by doing the CEMA/Assignment.
2. Turnaround time for receipt of the collateral documents.
3. Information on any upfront fees paid to the current lender.
4. All costs associated with the CEMA/Assignment process.
5. Letter(s) of Authorization to be signed by the borrower.

Any questions can be emailed to cemarequest@agmblaw.com.

EXHIBIT B

CEMA Worksheet

Borrower Name

Calculation of the NYS Mortgage Tax without CEMA

New Loan Amount	\$0.00
Mortgage Tax Rate - borrower portion	<u>0.80%</u>
Non CEMA Mortgage Tax - borrower portion	\$0.00 LE Page 2, Box E

Calculation of the NYS Mortgage Tax with CEMA

Principal Balance of Loan being paid off	\$0.00
GAP Amount	\$0.00
Mortgage Tax Rate - borrower portion	<u>0.80%</u>
CEMA Mortgage Tax - borrower portion	\$0.00 LE Page 2, Box E

Third Party CEMA Fees:

Pay Off Assignment Fee from Current Lender POC	\$0.00 LE Page 2, Box B
Pay Off Assignment Fee from Current Lender PIC	\$0.00 LE Page 2, Box B
Pay Off Assignment Fee from Current Lender Included in Pay Off Letter	<u>\$0.00</u> LE Page 2, Box B
Total Pay Off Lender Fee	\$0.00

Pay Off Lender Attorney Fee POC	\$0.00 LE Page 2, Box B
Pay Off Lender Attorney Fee PIC	<u>\$0.00</u> LE Page 2, Box B
Total Pay Lender Off Attorney Fee	\$0.00

Difference between CEMA and Straight Refi Recording Fees*	\$925.00	See below*
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AGMB CEMA Preparation Fee	\$295.00	LE Page 2, Box B
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Total Estimated CEMA Related Fees

\$1,220.00

Net Benefit to the Borrower by Closing as a CEMA

-\$1,220.00

Additional Fees to be Disclosed:

AGMB Closing Fee

\$895.00 LE Page 2, Box B

AGMB Courier Fee

\$75.00 LE Page 2, Box B

AGMB Travel/Outside Closer Fee

\$200.00 LE Page 2, Box B

Total AGMB Fees Not CEMA Related

\$1,170.00

***This amount is the difference between CEMA and Straight Refinance Recording fees. Please refer to the title bill for the total amount of recording fees that should be disclosed in LE Page 2, Box B.**

****All title fees, recording fees, and other lender 3rd party fees not already disclosed above, must be disclosed in LE Page 2 Box B, C or E as appropriate.**

EXHIBIT C

INITIAL RESPONSE EMAIL:

Dear Jack,

The net savings to the borrower by closing this loan as a CEMA is \$5,820. It takes 4 weeks to get collateral docs from Wells Fargo Bank.

See attached CEMA Worksheet for net savings calculation.

If you want to move forward with the CEMA, please have the borrower sign the attached Letter of Authorization and Assignment Information & Order Form and return them to me at the address below along with the following CERTIFIED CHECKS or BANK CHECKS:

- 1. Wells Fargo Bank, N.A. for \$750**
- 2. Abrams Garfinkel Margolis Bergson, LLP for \$200**

Please let Nations Direct Mortgage know that this is a CEMA loan so they can note it in their system.

Thanks,

Corey

EXHIBIT D

OPENING FILE EMAIL:

Dear Jack:

Thank you for allowing us to represent Nations Direct Mortgage with regard to this Wells Fargo Bank to Nations Direct Mortgage CEMA refinance. We are looking forward to working with you. **The collateral documents have been ordered from Wells Fargo Bank.**

To assist us with processing of this file, please send the following documents:

1. Commitment Letter
2. Title Report
3. Form 1003
4. Loan Estimate
5. Homeowner's Insurance

Additionally, please send the borrower the attached Notice Concerning Wire Fraud and ask them to read it carefully.

Below is the contact information for the dedicated team members assigned to handle your file.

Allison Hunter

Direct Line: (646) 473-7569 / eFax: (646) 218-9905 / Email: ahunter@agmblaw.com

Linda Lee

Direct Line: (212) 201-1189 / eFax: (646) 884-8972 / Email: lee@agmblaw.com

Danbee Hwang

Direct Line: (646) 473-7573 / eFax: (646) 778-3706 / Email: dhwang@agmblaw.com

In addition, please note that you may also contact any one of our supervising attorneys at the numbers and emails listed below:

Neil B. Garfinkel, Esq.

Direct Line: (212) 201-1173 / Mobile: (516) 457-1963 / Email: ngarfinkel@agmblaw.com

Corey M. Gindi, Esq.

Direct Line: (646) 473-7585 / Mobile: (917) 838-1602 / Email: cgindi@agmblaw.com

Michael C. Xylas, Esq.

Direct Line: (646) 473-7567 / Mobile: (917) 699-7324 / Email: mxylas@agmblaw.com

We look forward to a smooth and successful closing!

Sincerely,

Corey M. Gindi