

Nations Direct Mortgage

PURCHASE CEMA CLOSING PROCESS

1. Mortgage broker completes the NATIONS DIRECT MORTGAGE Purchase CEMA Request Form (**See Exhibit A hereto**) and emails it to cemarequest@agmblaw.com.
2. AGMB prepares Purchase CEMA – Net Savings to the Buyer Worksheet (containing calculation of the net savings to the buyer by closing the loan as a CEMA and LE disclosure information) (**See Exhibit B hereto**) and Purchase CEMA – Net Savings to the Seller Worksheet (containing calculation of the net savings to the seller by closing the loan as a CEMA) (**See Exhibit C hereto**). Both worksheets are emailed back to the mortgage broker along with letters of authorization for the seller to sign and information regarding any upfront assignment fees and assignment turn-time (**See Exhibit D hereto**).
3. Mortgage broker submits the Purchase CEMA Worksheets to the attorneys for the seller and buyer and to NATIONS DIRECT MORTGAGE so NATIONS DIRECT MORTGAGE can confirm there is a benefit to the buyer by closing the loan as a Purchase CEMA and the loan is flagged/checked off as a Purchase CEMA in the NATIONS DIRECT MORTGAGE system.
4. NATIONS DIRECT MORTGAGE conducts their normal underwriting process to clear the loan for closing.
5. Upon return of the signed letters of authorization and checks, if any, AGMB will process the assignment request with the seller's lender and will open a Purchase CEMA closing file. AGMB will also request a payoff letter from the seller's lender.
6. AGMB sends an email to the mortgage broker notifying them that the assignment request has been initiated with the seller's lender and asking them to forward the NATIONS DIRECT MORTGAGE commitment letter, contract of sale, title report, Form 1003, LE, and homeowner's insurance to AGMB for review and approval (**See Exhibit E hereto**).
7. 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.
8. When the underlying collateral documents are received from the current lender, AGMB will review them for accuracy. Defective documents will be cured to the extent possible within NATIONS DIRECT MORTGAGE guidelines.
9. 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.
10. Once NATIONS DIRECT MORTGAGE is clear to close, AGMB will schedule the closing with the buyer's attorney.

11. AGMB schedules the closing/funding and exchange of the original underlying collateral documents with the seller's lender's payoff bank attorney and also obtains a final payoff letter from the seller's lender.
12. Prior to the closing date, NATIONS DIRECT MORTGAGE emails the loan documents for the loan to AGMB. AGMB will prepare any CEMA related documents or schedules that are not contained in the loan documents coming from NATIONS DIRECT MORTGAGE, including, but not limited to, Schedule A of the CEMA Agreement and the Section 255 Affidavit.
13. AGMB attends and conducts the closing on the scheduled closing date.
14. 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 seller's lender's payoff bank attorney with the payoff check in exchange for the original underlying collateral documents.
15. AGMB sends an overnight package to NATIONS DIRECT MORTGAGE closing department containing the original underlying collateral documents, the executed loan documents and three (3) signed CEMA Agreements.
16. 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.
- 17. 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.**
18. Once received back from NATIONS DIRECT MORTGAGE the CEMA Agreement, along with the 255 Affidavit, Assignment and Gap Mortgage, are overnighted to the title company for recording. Once recorded, these documents are returned by the county clerk's office to NATIONS DIRECT MORTGAGE closing department to be added to closed loan file.

EXHIBIT A

Purchase CEMA Request Form

Complete this form when requesting a Purchase CEMA from Seller's Lender to Buyer's Lender.
Email the completed form to cemarequest@agmblaw.com.

Requestor's Information:

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

Contract of Sale Information:

1. Contract Sales Price: _____
2. Complete Property Address: _____

Seller(s) Information:

1. Seller(s) Name(s): _____
2. Seller(s) Social Security Number(s): _____
3. Seller(s) Lender's Name: _____
4. Seller(s) Lender's Loan Number: _____
5. Unpaid Principal Balance on Seller(s) Loan: _____

Buyer(s) Information:

1. Buyer(s) Name(s): _____
2. Buyer(s) Lender's Name: _____
3. 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 Seller and Buyer by closing as a Purchase CEMA.
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 Seller.

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

EXHIBIT B

Purchase CEMA - Net Savings to Buyer Worksheet

Buyer Name:

Calculation of the NY Mortgage Tax without CEMA

New Loan Amount	\$0.00	
Mortgage Tax Rate - Buyer portion	<u>1.80%</u>	
Non CEMA Mortgage Tax - Buyer portion	\$0.00	LE Page 2, Box E

Calculation the NY Mortgage Tax with CEMA

Principal Balance of Loan being paid off	\$0.00	
GAP Amount	\$0.00	
Mortgage Tax Rate - Buyer portion	<u>1.80%</u>	
CEMA Mortgage Tax - Buyer 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	
Estimated CEMA, 255 Affidavit, and Assignment Recording Fees	\$500.00	LE Page 2, Box E
AGMB CEMA Preparation Fee	\$295.00	LE Page 2, Box B
Total Estimated CEMA related Fees	\$750.00	
Net Benefit to the Buyer	<u>-\$750.00</u>	

Additional Fees to be Disclosed:

AGMB Closing Fee	\$995.00	LE Page 2, Box B
AGMB Courier Fee	\$75.00	LE Page 2, Box B
AGMB Travel/Outside Closer Fee	<u>\$200.00</u>	LE Page 2, Box B
Total AGMB Fees Not CEMA Related	\$1,225.00	

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

EXHIBIT C

Purchase CEMA - Net Savings to Seller Worksheet

Seller's Name:

Calculation of the NYS Transfer Tax without Purchase CEMA

Contract Sales Price	\$0.00
NYS Transfer Tax Rate	<u>0.40%</u>
NYS Transfer Tax to be paid by Seller	\$0.00

Calculation of the NYS Transfer Tax with Purchase CEMA

Unpaid Principal Balance of Seller's Loan (Continuing Lien Deduction)	\$0.00
Contract Sales Price less Continuing Lien Deduction	\$0.00
NYS Transfer Tax Rate	<u>0.40%</u>
NYS Transfer Tax to be paid by Seller	\$0.00

Net Savings to Seller by Closing as a Purchase CEMA

NYS Transfer Tax to be paid by Seller without Purchase CEMA	\$0.00
NYS Transfer Tax to be paid by Seller with Purchase CEMA	<u>\$0.00</u>
Net Savings to the Seller	<u>\$0.00</u>

EXHIBIT D

INITIAL RESPONSE EMAIL:

Dear Jack,

The net savings to the **Seller** by closing this loan as a Purchase CEMA is \$2,965. **See attached Purchase CEMA – Net Savings to Seller Worksheet.**

The net savings to the **Buyer** by closing this loan as a Purchase CEMA is \$12,381. **See attached Purchase CEMA – Net Savings to Buyer Worksheet and LE disclosure information.**

I can have collateral docs in 4 weeks from Wells Fargo Bank.

If you want to move forward with the CEMA, please have the Seller 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 or BANK CHECKS:

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

Please let NATIONS DIRECT MORTGAGE know that this is a Purchase CEMA loan so they can note it in their system.

Thanks,

Corey

EXHIBIT E

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 Purchase CEMA. We are looking forward to working with you. **The collateral documents have been ordered from Wells Fargo Bank.**

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

1. Contract of Sale
2. Commitment Letter
3. Title Report
4. Form 1003
5. LE
6. 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.

Deborah Raynor, Esq.

Direct Line: (516) 734-6473 / eFax: (646) 218-4138 / Email: draynor@agmblaw.com

Helen Kaufman, Paralegal

Direct Line: (516) 734-6468 / Fax: (516) 570-6277 / Email: hkaufman@agmblaw.com

John Accardi, Paralegal

Direct Line: (646) 350-0252 / Fax: (516) 570-6277 / Email: jaccardi@agmblaw.com

In addition, please note that you may also contact any one of our supervising partners 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