



**Condemnation Guideline for Portfolio Loans
1/1/09**

Contact:

Loan Administration Manager, Cincinnati, OH – For all life company loans

I. Condemnation

- A. In the event a Correspondent becomes aware of any actual or proposed condemnation of the collateral property securing the loan, the Correspondent shall notify Lender immediately.
- B. Condemnation proceeds are administered by the Lender as outlined in the Deed of Trust or Mortgage.

II. Documentation

- A. Provide a report describing the actual or proposed condemnation and the likely affect on the value of the collateral property.
- B. Provide copies of maps or surveys which clearly show the location of the property affected by the condemnation.
- C. Provide a full description of the affected property including the square footage and photographs of the affected property.
- D. Provide a full description of any change to parking spaces, ingress or egress to the collateral property.
- E. Provide copies of all correspondence between the borrower and the governmental agency controlling the condemnation.
- F. Provide copies of any correspondence or material discussing the value of the affected property.
- G. Provide a Correspondent recommendation.

III. Restoration

- A. In the event of a partial condemnation of the property which requires restoration, the Correspondent may be requested to retain the condemnation proceeds in a trust account pursuant to an escrow agreement between borrower and Lender.
- B. Correspondent shall monitor the restoration of the premises and release funds in the trust account pursuant to Lender instructions.

IV. Reporting

- A. All funds being managed by the Correspondent are subject to reporting. Refer to the Reporting Section of the document titled *Reserves & Letter of Credit Guidelines for Portfolio Loans* for reporting requirements.

Disclaimer:

Lender reserves the right to exercise all rights and remedies under the various loan documents.