



**Late Fee Guideline for Portfolio Loans**  
**4/1/12**

**Contact:**

***Loan Administrator II, Cincinnati, OH – For all life company serviced loans***

***Remittances only:***

***Investment Accountant, Lincoln, NE – For all life company serviced loans***

Loan payment due dates and grace periods vary per each individual loan's Promissory Note. The received date shall mean the actual date of receipt of funds by the Correspondent and not the postmarked date unless the Promissory Note states so. If the grace period expires on a weekend or federal holiday, the monthly loan payment shall be due on the succeeding business day. In the event that a borrower does not make a full scheduled monthly loan payment until after the due date and any applicable grace period provided for in the loan documents, a late fee is accrued on the borrower's loan. *Note: late fees shall be assessed based upon the principal and interest payment and shall not include any other sums due even if provided for in the Promissory Note.*

**I. Late Payment Notice**

- A. The Correspondent shall send a late payment notice to the borrower by the end of the **5<sup>th</sup> day** after a loan has become delinquent.
- B. A copy of the notice should be sent to the appropriate Lender Contact Person.
- C. The Correspondent shall notify the appropriate Lender Contact Person in the event payment is not received within **1 day** after the same shall become due and payable.

**II. Monitoring & Reporting**

- A. Monthly after all payments have been received for the current collection period, the Correspondent shall complete the Late Fee Report Template (*See document named **Late Fee Report Template***) reflecting the status of any loans which had accrued a late fee.
- B. The Late Fee Report Template shall be sent to the Loan Administrator II. **Note:** In the event no loan accrues a late fee for the current month a copy of the Late Fee Report should still be sent.

### III. Collection & Remittance

- A. The Correspondent shall make a diligent effort to collect late fees that have accrued.
- B. Late fees that are paid by the borrower, generally, should be wired to Lender upon day of receipt. Refer to the Correspondent Servicing Agreement for exact time frame.

### IV. Late Fee Waiver

- A. Correspondents may not waive late fees without approval from Lender.
- B. Request
  - 1. Borrower should provide a written request (electronic messaging is acceptable).
  - 2. Late Fee Waiver requests should include any and all documentation pertaining to the circumstances regarding the late payment (borrower's bank admission of error, etc.).
  - 3. Requests should be sent to the Loan Administrator II.
- C. Approval/Denial
  - 1. The Lender will notify the Correspondent if the request has been approved or denied. Typically the approval is contingent upon all future payments being remitted by way of ACH. If a request is approved a letter is prepared for borrower's execution. This letter outlines any requirements needed to affect and maintain the waiver. If and/or when the borrower executes the letter the Lender will confirm with the Correspondent that any required action has been initiated. If initiated the late fee is waived. If the Borrower does not execute the letter the late fee will not be considered waived.

***Disclaimer:***

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