

## SETTLEMENT AGREEMENT

Date: January 9, 2012

Loan No: [REDACTED] L7751  
Borrower: [REDACTED]  
[REDACTED]  
[REDACTED]  
Santee, CA 92071-6393

RE: Notice of Discounted Payoff

Fax: 111.111.1111

Dear Jacqueline Phan,

Seterus, Inc., the current servicer of the above-referenced loan ("Loan"), is pleased to advise you that subject to the conditions in this letter, we can offer you a discounted payoff for the Loan in the amount of \$262,649.56 in the event you are able to sell the property securing this loan through an arms-length transaction. This discount expires on 1/16/2012 ("Expiration Date"). To accept this offer, you must complete the following steps prior to the expiration date.

1. All of the above named borrower(s) or guarantor(s), if applicable must sign this letter below. Each signature must be notarized. You should be able to obtain a notary at your bank.
2. We must receive your fully signed and notarized copy of this letter by 1/16/2012. You may fax this letter to the fax number referenced above or mail to the mailing address referenced at the end of this letter.
3. The following cancellation clauses must be added to the listing agreement and sales contract as specified below.
  - If required, the listing agreement must include, "Seller may cancel this agreement prior to the ending date of the listing period without advance notice to the broker, and without payment of a commission or any other consideration, if the property is conveyed to the mortgage insurer or the mortgage holder."
  - The sales contract must include, "The seller's obligation to perform on this contract is subject to the rights of the mortgage insurer (if any) and the mortgage holder relating to the conveyance of the property."
4. We must receive the full discounted payoff amount of \$262,649.56 by bank wire transfer, bank check, money order or certified funds on or before 1/16/2012. You must send the funds to the address referenced at the end of this letter.
5. Any contribution of funds from the borrower(s) other than the contribution, if any, specified in this letter must be approved by Seterus, Inc. in writing.

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6. We must receive a copy of the signed certified HUD-1 Settlement Statement for the sale of the property by 1/16/2012. You may fax this to the fax number referenced above or mail to the mailing address referenced at the end of this letter. The HUD-1 Settlement Statement must be in accordance with the Estimated HUD-1 Settlement Statement, which indicates a purchase price of \$290,000.00. Any amounts paid to junior lien holders to obtain lien release(s) shall not exceed the total sum of \$4,800.54. Our credit for seller paid closing costs must not exceed \$8,700.00. Realtor commission must not exceed 6%. By signing below, you acknowledge that Seterus, Inc. and the holder of your note relied upon this Estimated HUD-1 Settlement Statement to approve the discounted payoff settlement. Any surplus funds shown on the Final HUD-1 Settlement Statement in excess of the amount shown on Estimated HUD-1 Settlement Statement also must be paid directly to Seterus, Inc. in accordance with the instruction in item #4 above.
7. The HUD-1 Settlement Statement must identify borrower(s) as the seller(s) and [REDACTED] as the buyer(s).
8. Final HUD-1 to be approved by us 48 hours prior to closing. Email HUD-1 to HUDApproval@seterus.com.
9. This offer is subject to the acceptance of all and any requirements by the mortgage insurer company if your loan is insured.

Please note that if you have an escrow account, unless otherwise required by applicable law, Seterus, Inc. will make your tax and/or insurance payments only if your account is less than 30 days delinquent or your account has sufficient funds. If your account is more than 30 days delinquent or has insufficient funds for disbursement Seterus, Inc. will not advance funds and you will be responsible for any tax or insurance payments, penalties or interest. Any remaining funds held by Seterus, Inc. in your escrow or suspense account will be applied toward the remaining amounts owed on your loan after payment of the \$262,649.56.

Unless otherwise previously negotiated and explicitly stated on the HUD-1, any funds in excess of the discounted settlement amount on the HUD-1 Settlement Statement will be paid to Seterus, Inc. and applied toward the remaining amounts owed after \$262,649.56. Under no circumstances shall any funds be disbursed to the borrower(s).

Upon completion of all requirements by borrower(s), Seterus, Inc. will execute a release and a discharge of the deed of trust/mortgage and, if necessary, will dismiss any pending legal action to collect this obligation. As required by law, Seterus, Inc. may issue a 1099C, Forgiveness of Debt, as a result of this Settlement Agreement. Borrower(s) acknowledges that there may be tax implications resulting from debt forgiveness. Borrower(s) should consult with a tax advisor.

This Agreement may have credit reporting consequences. For information about your credit score, go to:  
<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.

(Continued)

Loan No.: [REDACTED]  
Page 3  
January 9, 2012

Our printed name below constitutes our execution of this offer, and it does not need to be counter-signed by Seterus, Inc.

Sincerely,

Cliff M.  
Seterus, Inc.  
866.570.5277

**ACKNOWLEDGED AND ACCEPTED:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: [REDACTED]

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: [REDACTED]

Payment remittance information:

VIA BANK WIRE TRANSFER	OR	VIA OVERNIGHT MAIL
JP Morgan Chase Bank		Seterus, Inc.
ABA # [REDACTED]		14523 SW Millikan Way, Suite 200
For Further Credit to:		Beaverton, OR 97005
Seterus, Inc.		866.570.5277
Account # [REDACTED]		888.502.0048 FAX
Reference- [REDACTED]		

**Notarization Acknowledgment**

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THIS COMMUNICATION IS FROM A DEBT COLLECTOR AS WE SOMETIMES ACT AS A DEBT COLLECTOR. WE ARE ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. HOWEVER, IF YOU ARE IN BANKRUPTCY OR RECEIVED A BANKRUPTCY DISCHARGE OF THIS DEBT, THIS LETTER IS NOT AN ATTEMPT TO COLLECT THE DEBT, BUT NOTICE OF POSSIBLE ENFORCEMENT OF OUR LIEN AGAINST THE COLLATERAL PROPERTY. **COLORADO:** FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE [WWW.COLORADOATTORNEYGENERAL.GOV/CA](http://WWW.COLORADOATTORNEYGENERAL.GOV/CA). Seterus, Inc. maintains a local office at 355 Union Boulevard, Suite 302, Lakewood, CO 80228. The office's phone number is 888.738.5576. **NEW YORK CITY:** 1331537, 1340663, 1340148. **TENNESSEE:** This collection agency is licensed by the Collection Service Board of the Department of Commerce and Insurance. Seterus, Inc. is licensed to do business at 14523 SW Millikan Way, Beaverton, OR.