

Automatic Clearing House debit (ACH) is a convenient, economical and efficient way for you to make your monthly payments. Please follow the instructions below.

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Name: _____ Loan Number: _____

CHOICES

Plan 12 – Monthly Payments

Debit my account on the same day every month... 1st 5th 10th 15th ____ Other
If a date is not selected, servicer will select the draft date.
There is a one-time \$10 setup fee for this service

Plan 24 – Semi-Monthly Payments

Debit one-half of my monthly payment twice a month. The first monthly payment is to be debited on the ____ of every month. The second payment will be debited 15 days later.
If a date is not selected, payments will be processed on the 1st and 16th of every month.
There is a one-time \$10 setup fee for this service, and a \$1 per transaction charge.

Plan 26 – Biweekly Payments

Debit one-half of my monthly payment every other week on (check one):
 Monday Tuesday Wednesday Thursday Friday
If a day is not selected, Servicer will select Friday as the debit day.
There is a one-time \$10 setup fee for this service, and a \$1 per transaction charge.

Plan 52 – Weekly Payments

Debit one-quarter of my monthly payments every week on (check one):
 Monday Tuesday Wednesday Thursday Friday
If a day is not selected, Servicer will select Friday as the debit day.
There is a one-time \$10 setup fee for this service, and a \$1 per transaction charge.

DRAFTING INSTRUCTIONS

Bank Name: _____ Account Type: Checking Savings
Routing Number: _____ Account Number: _____
Start Date*: _____ Payment Amount: _____
***Allow 30 days to process enrollment ***

Draft an additional amount of \$_____ with each minimum payment, to be applied to my principal balance.

All payments will be posted within 3 business days. Please make sure that your payment is made at least 3 days before your due date or you may be charged a late payment fee. Payments entered on Friday after 2 pm ET, Saturday, Sunday or a holiday will be processed on the next business day.

EASY ENROLLMENT

Two easy ways to enroll:

1. Fax this completed and signed enrollment form with a voided check to: 1-877-563-4161
2. Mail this completed and signed enrollment form with a voided check to:
Madison Management Services, LLC, ACH Payments, 4600 Kietzke Ln, Ste K225, Reno, NV 89502

I have read, understand, and agree with the below Electronic Payment Service Agreement, to be kept with my records.

Authorized Signature _____ Date _____

AUTOMATED CLEARING HOUSE (ACH) PROGRAM

Frequently Asked Questions

How does the program work?

Once you sign up with ACH, we will automatically deduct your mortgage payment from your designated checking or savings account each month. We will send notification to your bank to transfer the exact amount of your mortgage payment on your draft date, from your checking or savings account to us. A record of the transaction will be included each month on your bank statement and your monthly billing statement from us.

Why should I sign up for ACH debit?

Convenience, security, and peace of mind. You no longer have to write a check each month for your mortgage payment – no checks, no stamps, no envelopes, and no trips to the mail box. You'll also have peace of mind knowing that your monthly mortgage payment was made automatically, on time, and through a secure method.

Does ACH cost anything?

There is a one-time setup fee of \$10 for ACH draft. For bi-weekly and semi-monthly drafts, there is a \$1.00 processing per draft.

Can I still make additional principal payments or escrow deposits?

Yes! If you want to make additional payments, either designate on the application the amount of the principal payment to be withdrawn in addition to your monthly payment, or simply mail a check for the desired amount the first week of the month. Additional escrow can be mailed anytime. Please include your mortgage account number and the words "additional principal" or "escrow deposit" on the face of your check.

How can I begin this convenient service?

It's very simple. Just fill out the application and mail or fax it to us. Please enclose a voided blank check or savings account deposit slip with the authorization agreement. Write "void" across the face of your check or a savings deposit slip from a current savings account. The authorization agreement and your voided check or deposit slip will give us the accurate information we need to begin your ACH service. Allow up to 30 days for Madison Management Services to process your ACH enrollment. Continue to make your normal mortgage payments until the setup is complete.

Can I cancel the ACH service?

The ACH service may be canceled at any time by sending us a written notice at least 15 days prior to your next due date. Please include your loan number. Alternatively, you may cancel the ACH service by calling our Customer Service Department at (877) 563-4164 and speaking to a Specialist at least 3 business days prior to your scheduled payment date.

What happens if I change my bank?

If you move your checking or savings account from your current bank to another one, you need to complete a new authorization agreement and mail it to us along with a voided blank check or savings account deposit slip at least 15 days before your scheduled draft date. You can request an ACH authorization form by calling us at (877) 563-4164. Please allow 2 to 3 weeks for the ACH service to begin on your new account.

Do you have any more questions?

If you have any questions, please call us toll free at (877) 563-4164. One of our Specialists will be happy to answer your questions or provide you with more information.

ELECTRONIC PAYMENT SERVICE AGREEMENT

1. Terms and Conditions: I (“I”, “my”, “me” and “Borrower” refer to all borrowers) understand that although I am not required to use this service to pay my home loan referenced in my authorization (my “Loan”), I request that Madison Management Services, LLC (“Servicer”) enroll me in an automated electronic payment service (the “Service”), as a convenience to me under the terms and conditions set forth in this Electronic Payment Service Agreement (this “Agreement”), and I agree to the following:

2. How Long I Must Pay the Current Way and Limiting Conditions: I authorize Servicer to initiate electronic debits from the financial institution associated with the financial routing number in my authorization (my “Financial Institution”) from the referenced financial account number (my “Financial Institution Account”), in order to pay for my scheduled payments under my Loan plus the cost of any goods or services that I request. I will continue to initiate and make my payments with respect to my Loan via other payment methods until I am notified in writing when the first automatic payment begins (approximately 2-3 weeks from my authorization, subject to verification of information). I am responsible for verifying that my Financial Institution is a member of the Federal Reserve System, which is a requirement under this Agreement, and allows Servicer to perform the Service. **I AM RESPONSIBLE FOR MAKING PAYMENTS ON MY LOAN BY OTHER MEANS, IF ANY PAYMENTS ARE NOT DRAFTED ON THE SCHEDULED DRAFT DATE NO MATTER THE CAUSE.** The Servicer’s obligations with respect to the Service shall terminate upon payment-in-full of my Loan.

3. How This Plan Works: It may be necessary for Servicer to increase my payment to the nearest dollar, so that my total payment (including any amounts for impounded taxes and insurance) can be easily divisible by two (2) or four (4), with any overage being credited to my Loan as set forth in my Loan documents. Servicer may send multiple drafts to my Financial Institution during each scheduled withdrawal date: One draft will be for the payment amount I have requested to be drafted, and the other draft will be for fees and charges that correspond to the Service that I have selected, if applicable. If any draft is returned or rejected by my Financial Institution, Servicer will not be responsible for any additional fees assessed to me by my Financial Institution. If my scheduled draft date from my Financial Institution Account falls on a holiday or weekend, my electronic payment may be debited from my Financial Institution Account on the next business day. The electronic payment amount will automatically adjust to any new scheduled payment amount that may result from the terms of my Loan documents. **Such adjustments may include but are not limited to increases or decreases in the scheduled monthly payment as a result of adjustments to the interest rate or required escrow amount pursuant to the terms of my Loan documents. I understand that I am responsible for ensuring that there are sufficient funds in my Financial**

Institution Account to pay the scheduled monthly payment, including any new scheduled monthly payment amount. I understand that transfer of funds will not occur if there are insufficient funds in my Financial Institution Account or my Financial Institution refuses to pay amounts for any reason **and that I will be responsible for any fees related to such nonpayment as set forth in Section 6.** If there are insufficient funds in my Financial Institution Account or my Financial Institution refuses to pay amounts to Servicer for any reason; Servicer will attempt to cause my Financial Institution to draft from my Financial Institution Account two (2) times. I understand that my Financial Institution may attempt to draw upon my Financial Institution Account more than twice, and that such process is in no way related to Servicer. If the second attempt by Servicer to cause my Financial Institution to draft from my Financial Institution Account fails, I will be responsible for paying the funds owed under this Agreement and

my Loan documents immediately, and I may be automatically terminated from the Service. If three (3) separate debit processes are rejected by my Financial Institution on the first attempt by Servicer, I may be automatically terminated from the Service without further notice from Servicer. If I am terminated from the Service, I shall have no further rights under this Agreement, and Servicer shall have no further obligations under this Agreement. I will continue to be responsible for any fees or charges related to this Agreement for services rendered, and the fees or charges owed will be added to my Loan obligation.

4. How and When My Payments Will be Applied: Servicer will apply fully scheduled payment amounts to my Loan account based upon the priority of payment/application provisions set forth in my Loan documents. **I understand that, when funds are placed in a partial account, such funds are not being applied to my Loan at that time.** Therefore, interest will accrue under my Loan as if no payment was made, until an amount equal to my full scheduled payment is received and applied to the Loan. I agree that Servicer will not pay me any interest or provide me with any other economic benefit for funds being held in a partial account. I understand that Servicer may derive a benefit as a result of holding partial payments in its accounts during the period of time while a full payment has not yet been made. Any direct or indirect benefit that may be associated with any funds held in a partial account shall accrue to Servicer. I waive any right to these or any other related benefits that Servicer may receive. **I understand that Servicer may, at its option, exercise its right to return partial payments to me if full payment is not received. In order for my Plan 26 draft service to begin, Servicer must have received and applied my scheduled monthly payment on its regularly scheduled due date in the same month that my first biweekly payment service will begin (i.e., I must be paid ahead one (1) month).** I understand and agree that, if I fail to make certain that I am paid one (1) month ahead, Servicer may choose not to perform the Service, which may result in me being in default on my Loan. The Service is not available for all loan types and some Plans may not be available in all states. The following is a summary of my Plan, as applicable to the Plan chosen by me:

a. Plan 12: Twelve (12) monthly drafts will occur and will be applied as twelve (12) scheduled payments. My scheduled draft date must be prior to the end of the late payment grace period set forth in my Loan documents. There is no service fee.

b. Plan 24: Twenty-four (24) semimonthly drafts will occur and be applied as twelve (12) regular payments. When the first half of my mortgage payment is drafted, such funds will be applied to my partial account. When the second half of my mortgage payment is drafted, which must occur prior to the end of the payment grace period set forth in my Loan documents, this amount and the funds in the partial account must equal a full month’s scheduled payment in order to be applied to my Loan account.

c. Plan 26: Twenty-six (26) biweekly drafts will occur, twenty-four (24) of which will be applied as regular scheduled payments and two (2) biweekly drafts equaling a full scheduled payment amount will be applied to reducing the principal balance of my Loan. One half of my scheduled monthly payment will be debited from my Financial Institution Account with each biweekly draft and applied to my partial account. If the funds in my partial account equal a full month’s scheduled payment on the scheduled payment due date under my Loan documents, an amount equal to a full month’s scheduled payment will be applied to my Loan account. During months in which more than two (2) biweekly drafts occur, the third draft will also be applied to my Loan on my scheduled due date of the following month. Any additional funds from the third draft will be applied toward reducing my principal balance. I agree that Servicer will credit all full payments, including prepayments, on the next regular scheduled due date for periodic payments under my Loan documents. I

further agree that my electronic payments may be held in the normal accounts maintained by Servicer for partial payments accepted but unapplied until the next payment due date. In addition,

5. What I Must Do if My Loan Becomes Delinquent: If my Loan becomes delinquent or I am otherwise in default, I will notify Servicer at the address set forth in Section 6 below and make any payments myself, via check or other method, to bring and keep my Loan current and my payments consistent with the Service's payment schedule. Servicer may attempt to cause my Financial Institution to debit my Financial Institution Account within a reasonable time in order to keep me current with the Service. I further understand and agree that electronic debits from my Financial Institution Account may cause other items submitted for payment, which are not related to the Service or my Loan, not to be paid. I agree that I am solely responsible for items not paid, and that I accept responsibility for maintaining my financial affairs.

6. Nonpayment by My Financial Institution, Notification and Cancellation by Me: I understand and agree that I will be charged an insufficient funds fee for each transaction that results in nonpayment from my Financial Institution Account, and that such nonpayment could result in a late payment fee under my Loan documents. The maximum insufficient funds fee amount that I will be charged is the maximum amount allowed by applicable law. I agree that Servicer may draft insufficient funds fees and late payment fees from my Financial Institution Account under this Agreement. If my Loan is delinquent or otherwise in default, automatic payment may not take place unless Servicer, in its sole discretion, allows the automatic payment. The electronic service may be cancelled, in Servicer's sole discretion, at any time, and may not be transferable, if the servicing of my Loan is sold or transferred to another loan servicer. To cancel the Service, I must deliver to the Servicer a signed letter (which must include my Loan number) from me, or on my behalf, stating that I choose to cancel the Service and setting forth the last date for payment under the Service at least five (5) days prior to the next scheduled draft. The letter must be delivered to Servicer at the following address: **Madison Management Services, LLC, 126 Route 10, Suite 5, Succasunna, NJ 07876.**

In the event my Financial Institution changes or an update to the current information is required to successfully draft from my Financial Institution Account, I agree to provide this information to Servicer at least ten (10) days in advance of any changes that would interrupt the Service

7. My Loan Documents Remain Binding and Enforceable; Non-Assignability: I understand and agree that the Service does not modify the original terms and conditions of my Loan obligations. If I am planning to pay off my Loan and the draft date is within ten (10) days of my payoff date, I will notify Servicer at least ten (10) days in advance of the payoff date to have the Service cancelled. Failure to provide such notification to Servicer may result in excess funds being drafted from my Financial Institution Account. Payment in full of my loan will terminate Servicer's but not my, obligations under the Service. I hereby release and will indemnify Servicer for any and all losses, damages, claims, costs and expenses resulting from any party claiming that Servicer is not authorized to draft my Financial Institution Account as set forth in this Agreement. I understand and agree that I cannot assign this Agreement or my rights under this Agreement to another person or entity. Assignment by me to a third party will automatically terminate my rights, but not my obligations, under this Agreement.

8. Notice of Grievances; Attorney's Fees; Severability: I may not commence or join in to any judicial action against Servicer that arises from this Agreement or that alleges that the other party has breached any provision of, or any duty owed by reason of this Agreement, until I have notified Servicer (with such notice given in compliance with the requirements of this Agreement and my Loan documents) of such alleged breach and afforded Servicer a reasonable period after the giving of such

notice to take corrective action. If applicable law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for the purposes of this paragraph. Should either party institute any action or proceeding to enforce any provision with respect to this Agreement, or for damages by reason of any alleged breach of any provision in this Agreement, the prevailing party shall recover his or its attorneys' fees, costs and expenses in connection with such action from the non-prevailing party. In the event any part of this Agreement cannot be carried out due to lack of enforceability under the law, all other provisions will remain valid.

9. Incorporated Documents to this Agreement; Knowledge and Consent: I understand that a payment schedule with respect to the Service may be sent to me once I am enrolled in the Service. The payment schedule is incorporated into and made a part of this Agreement. Unless provided otherwise by Servicer, the payment schedule is the only incorporated document to this Agreement, unless expressly set forth herein. Each party warrants and covenants that this Agreement constitutes the entire understanding and agreement of the parties with respect to this Service, and any and all prior agreements, understandings or representations, whether oral or written, with respect to this Service, or any other electronic payment services with Servicer or other parties with respect to my Loan, are merged into this Agreement. No representations, oral or otherwise, express or implied, other than those contained in this Agreement have been made by either party. Each party acknowledges that it has read and understands this Agreement. I warrant and represent this Agreement is entered into voluntarily and without duress or undue influence. I acknowledge that I have been provided with a copy of this Agreement for my records. If I provided my authorization via telephone, I agree and acknowledge that this Agreement sets forth the Service terms to which I agree.

10. Servicer's Right to Modify or Cancel; Fees: Servicer reserves the right to cancel, modify, restrict, waive or terminate this Agreement or any aspect of this Agreement at its sole discretion, including but not limited to fees and charges, at any time upon sending written notice to me at my notice address under my Loan documents. I understand and agree that I may simply reject any offered change, restriction or modification by canceling the Service as set forth in Section 6 above at least five (5) business days prior to the next scheduled draft date. I further understand and agree that I have agreed to any change, restriction or modification, if I fail to timely cancel the Service with respect to the draft. **I understand and agree that no fees or charges will be refunded to me upon termination or cancelation, whether voluntary or involuntary.**